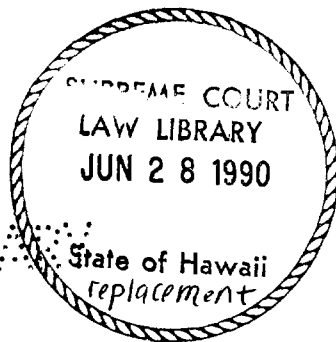


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TERRITORY OF HAWAII

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REGULAR SESSION 1937

Commenced on Wednesday, the Seventeenth Day of February, and
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REGULAR SESSION 1937

SENATE

President.....H. A. Baldwin, Makawao, Maui
 Vice-President.....Eugene H. Beebe, Honolulu, Oahu
 Clerk.....Ellen D. Smythe, Honolulu, Oahu

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	Cunningham, Sarah Todd (D) ..	Hilo, Hawaii
	* Kimi, William J. (R).....	Hilo, Hawaii
	* Silva, Charles H. (D).....	Kapaau, Hawaii
Second.....	* Baldwin, H. A. (R).....	Makawao, Maui
	Crozier, Clarence A. (NP).....	Wailuku, Maui
	Holt, Harry H. (R).....	Wailuku, Maui
Third.....	Beebe, Eugene H. (R).....	Honolulu, Oahu
	Brown, Francis H. Ii (R).....	Honolulu, Oahu
	* Farrington, Joseph R. (R).....	Honolulu, Oahu
	* Heen, William H. (D).....	Honolulu, Oahu
	* Sylva, Joseph L. (R).....	Honolulu, Oahu
	Trask, David K. (D).....	Kaneohe, Oahu
Fourth.....	* Rice, Charles A (R).....	Lihue, Kauai
	Wilcox, Elsie H. (R).....	Lihue, Kauai

DDemocrat..... 4
 NP.....Nonpartisan 1
 RRepublican..... 10

* Holdover Senators.

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Speaker.....Roy A. Vitousek, Honolulu, Oahu
 Vice-Speaker.....Manuel Gomes Paschoal, Puunene, Maui
 Clerk.....Oliver P. Soares, Honolulu, Oahu

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	Costa, August, Jr. (R).....	Hilo, Hawaii
	Kealoha, James (D).....	Hilo, Hawaii
	Sakakihara, Thomas T. (R).....	Hilo, Hawaii
Second.....	Akina, Arthur A. (R).....	Kamuela, Hawaii
	Ako, James (R).....	Kailua, Hawaii
	Aona, Francis K. (R).....	Kealakekua, Hawaii
	Wilhelm, Robert L. (R).....	Naalehu, Hawaii
Third.....	Baker, Edward (R).....	Makawao, Maui
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	Gomes, Clement (R).....	Lihue, Kauai
	Marcallino, A. Q. (R).....	Eleele, Kauai
	Ouye, Thomas (R).....	Lihue, Kauai

D.....Democrat..... 4

R.....Republican..... 26

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LAWS OF THE TERRITORY OF HAWAII

PASSED AT THE

NINETEENTH REGULAR SESSION OF THE
LEGISLATURE

1937

Title I. GENERAL LAWS.

CHAPTER 3. EMINENT DOMAIN.

JURISDICTION AND PROCEDURE.

[A-1] An Act to Amend Sections 59, 60, 65, 67, 68 and 2300 of the Revised Laws of Hawaii 1935, Relating to Eminent Domain.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 59** of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto, at the end thereof, the following:

"In all proceedings under this chapter the court shall have power at any stage of the proceeding to allow amendments in form or substance in any petition, citation, summons, process, answer, motion, order, verdict, judgment or other proceeding, including amendment in the description of the lands sought to be condemned, whenever such amendment will not impair the substantial rights of any party in interest."

Section 2. Section 60 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"**Sec. 60. Notice.** When the defendant or claimant of the land sought to be condemned is known, the summons shall be served by delivering to him a certified copy thereof, together with a copy of the plaintiff's petition. In case the defendant or claimant, although known, cannot be found, then the service of the summons upon such defendant shall be made by publication thereof, in a newspaper or newspapers of general circulation in the Territory, in the manner provided in Section 4079 and, in addition, by leaving a certified copy of the summons with some agent or person trans-

acting the business of the defendant or claimant, or by leaving the same at his last known place of business or residence. In case the defendant, although known, was never a resident of the Territory or has removed therefrom, or if the defendant or claimant is unknown, then the service of the summons upon such defendant or claimant may be made by publication thereof, in a newspaper or newspapers of general circulation in the Territory, in the manner provided by Section 4079. The service of summons, as provided for in this section, shall be sufficient to give the court jurisdiction to proceed with and finally determine the case." [L. 1896, c. 45, s. 9; R. L. 1935, s. 60; am. L. 1937, c. 184, s. 2.]

Section 3. **Section 65** of the Revised Laws of Hawaii 1935, is hereby amended by deleting the word "seven" which appears in the sixth line of said section and inserting in lieu thereof the word "five".

Section 4. Section 67 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 67. Defendant allowed damages upon abandonment or dismissal of proceedings. Whenever any proceedings instituted under the provisions of this chapter are abandoned or discontinued before reaching final judgment, or if, for any cause, the property concerned shall not be finally taken for public use, a defendant who would have been entitled to compensation or damages had such property been finally taken, shall be entitled, in such proceedings, to recover from the plaintiff all such damage as may have been sustained by him by reason of the bringing of the proceedings and the possession by the plaintiff of the property concerned if such possession has been awarded including a reasonable amount to cover attorney's fees paid by him in connection therewith and the possession of the property concerned shall be restored to the defendant entitled thereto. Issues of fact arising in connection with any claim for such damage shall be tried by the court without a jury unless a trial by jury shall be demanded by either party, pursuant to the provisions of Section 4101, within ten days from the date of the entry of an order or judgment allowing the discontinuance of the proceedings, or dismissing the proceedings or denying the right of the plaintiff to take the property concerned for public use." [L. 1929, c. 230, s. 1; R. L. 1935, s. 67; am. L. 1937, c. 184, s. 4.]

Section 5. Section 68 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 68. Possession pending action; by plaintiff when: interest. 1. At any time after the service of summons the court shall have power, upon motion of the plaintiff and upon notice to the defendant, to issue an order putting the plaintiff in possession of

the land sought to be condemned and permitting the plaintiff to do such work thereon as may be required for the purpose for which the taking of the land is sought. Such motion shall contain a statement of the reasons for requiring an immediate occupation of the land sought to be condemned and a statement of the sum of money estimated by the plaintiff to be just compensation or damages for the taking of such land. Upon the filing of such motion the court shall issue an order directed to the defendants and returnable not more than ten days from the date of the filing of the motion, requiring said defendants to appear and show cause why the motion should not be granted. The court may require proof by affidavit or otherwise of the right of the plaintiff to maintain the action and of the necessity of the taking of the land sought to be condemned for a public use and of the facts set forth in the motion and shall grant or deny the motion as the public interest and the rights of the parties may require.

“No such order of possession shall issue unless the plaintiff shall have paid to the clerk of the court issuing the order, for the use of the persons entitled thereto, the amount of the estimated compensation or damages stated in the motion for the issuance of such order.

“Upon the application of the parties entitled thereto the court may order that the money paid to the clerk of the court as aforesaid, or any part thereof, be paid forthwith for or on account of the just compensation to be awarded in said proceedings. A payment to any party as aforesaid shall be held to constitute an abandonment by such party of all defenses interposed by him, excepting his claim for greater compensation or damages. If the compensation or damages finally awarded in respect of said land or any parcel thereof shall exceed the amount of the money so received by any person entitled, the court shall enter judgment for the amount of the deficiency.

“2. At any time after judgment has been rendered in the circuit court for or in favor of the plaintiff, or pending an appeal to the supreme court by either plaintiff or defendant, the plaintiff, if not already in possession of the land sought to be condemned under an order entered pursuant to the provisions of Paragraph 1 of this Section, may be put into possession thereof upon the payment to the clerk of the court of the amount assessed as compensation or damages and such further sum as may be required by the court as a fund to pay any further compensation or damages that may be awarded as well as all damages that may be sustained by the defendant if for any cause the property shall not be finally taken for public use. Upon such payment, the court shall make an order putting plaintiff into possession of the property sought to be condemned with the right to use the same during the pendency of

and until the final conclusion of the litigation. If the plaintiff shall have appealed to the supreme court such amount shall be held by the clerk until the entry of final judgment and such final judgment shall include, as part of the just compensation and damages awarded, interest at the rate provided in Section 65 from the date of the order letting plaintiff into possession as aforesaid. If the defendant who is entitled to the amount of money assessed as compensation or damages and paid into court under the provisions of this paragraph shall have appealed to the supreme court, such defendant shall have the right to demand and receive payment of the same at any time thereafter, upon filing a receipt therefor and an abandonment of all defenses to the action or proceeding except as to the amount of compensation or damages that he may be entitled to in the event that a new trial shall be granted.

“3. If an order be made letting the plaintiff into possession as provided for in this section, the final judgment shall include, as part of the just compensation and damages awarded, interest at the rate provided in Section 65 from the date of such order until paid by the plaintiff, provided, however, that except in the case of an appeal by the plaintiff as hereinabove provided, interest shall not be allowed upon any sum or sums paid by the plaintiff to the clerk of the court as aforesaid from the date of such payment. The court shall have power to fix and include in such order or judgment the time within which and the terms upon which the parties in possession shall be required to surrender possession to the plaintiff. The court shall have power to make such orders in respect of encumbrances, liens, rentals, taxes, assessments, insurance and other charges, if any, as shall be just and equitable.

“4. If the proceedings shall be abandoned or discontinued before reaching final judgment, or if, for any cause, the property concerned shall not finally be taken for public use, and judgment is entered in favor of the defendant for damages under the provisions of Section 67, any moneys which shall have been paid by the plaintiff to the clerk of the court under this section shall be applied toward the satisfaction of such judgment.” [L. 1896, c. 45, pt. of s. 16, s. 19; R. L. 1935, s. 68; am. L. 1937, c. 184, s. 5.]

Section 6. **Section 2300** of the Revised Laws of Hawaii 1935, is hereby amended by deleting therefrom all of that portion thereof following the semicolon in the sixteenth line thereof and by substituting a period for said semicolon.

Section 7. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **H.B. 265, Act 184.**

CHAPTER 4. EXPENDITURE OF PUBLIC MONEY.

COMPETITIVE CONTRACTS.

[A-2] An Act to Amend Section 81 of the Revised Laws of Hawaii 1935, Relating to the Expenditure of Public Money by Competitive Contracts.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 81 of the Revised Laws of Hawaii 1935, is hereby amended by amending the first paragraph thereof to read as follows:

“Sec. 81. Contracts; security; bids and conditions attending. All such contracts shall be in writing; shall be executed in the name of the Territory, county, city and county, or the board, bureau or commission thereof authorized to let contracts in its own name, as the case may be, by the officer letting the same, and shall be made with the lowest responsible bidder, provided such bidder shall qualify by providing the security herein required, after publication of a call for tenders, for not less than ten days, in a newspaper of general circulation printed and published within the Territory. The officer calling for bids may reject any or all bids and waive any defects when in his opinion such rejection or waiver will be for the best interest of the public.”

Section 2. **Section 81** of the Revised Laws of Hawaii 1935, is hereby further amended by amending the fifth paragraph thereof, being the first full paragraph on Page 87 of said Revised Laws, to read as follows:

“All bids shall be accompanied by a deposit of legal tender or by a certificate of deposit or certified check on a bank doing business within the Territory, for or in a sum equal to five per centum of the amount bid, payable at sight to the officer advertising for tenders; provided, however, that when the amount bid exceeds fifty thousand dollars, the certificate of deposit or certified check shall be for two thousand five hundred dollars plus two per centum of the amount in excess thereof. If the bidder to whom the contract is awarded shall fail or neglect to enter into the contract and furnish satisfactory security within ten days after the award or within such further time as the officer may allow, the officer shall pay the amount of the deposit into the treasury as a realization of the Territory, county, city and county or other governmental agency, as the case may be. If the lowest bid or any other bid has been rejected, or if the bidder to whom the contract was awarded has failed to enter into the contract and furnish satisfactory security as hereinabove required, the officer may, in his discretion,

award the contract to the lowest remaining responsible bidder or may publish another call for tenders as hereinabove provided. If the contract is entered into and the security furnished within the required time, the deposit, certificate or check shall be returned to the successful bidder. The deposits made by the unsuccessful bidders shall be returned to them after the contract is entered into or, if the contract is not awarded or entered into, after the officer's determination to publish another call for tenders."

Section 3. **Section 81** of the Revised Laws of Hawaii 1935, is hereby further amended by adding thereto, at the end thereof a new paragraph to read as follows:

"The term 'officer' as used in this section and in **Section 80** shall be construed to mean and include, with respect to contracts entered into by a county or the city and county or a board, bureau or commission thereof authorized to contract in its own behalf, the 'Board of Supervisors' of such county or city and county or the governing body of such board, bureau or commission as constituted by law or such officer as shall be duly authorized by such board of supervisors or such board, bureau or commission to act as its contracting officer."

Section 4. This Act shall take effect upon its approval.

(Approved May 6, 1937.) **H.B. 431, Act 150.**

HOURS, WAGES; PAY DAYS.

[A-3] An Act Amending Section 92 of the Revised Laws of Hawaii 1935, Relating to Wages of Laborers on Public Works.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 92 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"**Sec. 92. Wages of Laborers on Public Works.** The daily pay for each working day of each laborer engaged in constructing or repairing roads, bridges or streets, waterworks and other works, by contract or otherwise for the Territory, or for any political sub-division thereof, shall not be less than three and no/100 dollars (\$3.00), provided, however, that this Act shall not apply to contracts in effect on the approval date of this Act." [L. 1907, c. 98, s. 1; am. L. 1915, c. 9, s. 1; am. L. 1917, c. 194, s. 1; am. imp. L. 1919, c. 218, s. 1; am. L. 1925, c. 165, s. 1; am. L. 1929, c. 86, s. 1; am. L. 1932, 2d, c. 36, s. 1; R. L. 1935, s. 92; am. L. 1937, c. 34, s. 1.]

Section 2. This Act shall take effect on July 1, 1937.

(Approved April 19, 1937.) **H.B. 14, Act 34.**

SALARIES, EXPENSES.

[A-4] An Act to Repeal Section 99 and to Amend Section 100 of the Revised Laws of Hawaii 1935, Relating to Salaries Withheld for Indebtedness.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 99** of the Revised Laws of Hawaii 1935 is hereby repealed.

Section 2. Section 100 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 100. Salaries withheld for indebtedness. In case any officer, agent, employee or other person in the service of the Territory, any county or city and county, or of any department or bureau of the Territory or of any county or city and county, shall be indebted to the Territory, any county or city and county or to any department or bureau of the Territory or of any county or city and county, the auditor or other officer charged with the duty of paying such officer, agent, employee or other person shall, upon demand of the officer charged with the duty of collecting such indebtedness, and after notice to such officer, agent, employee or other person so indebted, withhold one-quarter of the salary, wages or compensation due such officer, agent, employee or other person and pay the same, from time to time as the same shall become due, to the officer charged with the duty of collecting such indebtedness, until the full amount of such indebtedness together with penalties and interest thereon, shall be paid; provided, however, if said indebtedness has arisen or been incurred by reason of said officer, agent, employee or other person having embezzled, stolen or otherwise unlawfully acquired any monies or other property of the Territory, any county, city and county or any department or bureau of the Territory or of any county or city and county, the whole amount of such salary, wages or compensation, or so much thereof as may be required to pay said indebtedness in full, shall be withheld and paid over to the officer charged with the duty of collecting such indebtedness.

The operation of all garnishment process served upon the auditor or other paying officer shall be stayed until such indebtedness has been fully paid." [L. 1911, c. 120, s. 1; am. L. 1933, c. 191, s. 1; am. L. 1937, c. 14, s. 2.]

Section 3. This Act shall take effect upon its approval.

(Approved April 6, 1937.) **S.B. 198, Act 14.**

CHAPTER 5. GENERAL DEPARTMENTAL REGULATIONS.

QUORUM OF BOARDS AND COMMISSIONS.

[A-5] An Act to Amend Chapter 5 of the Revised Laws of Hawaii 1935 so as to Prescribe Quorums and the Number of Votes Necessary to Validate the Acts of Boards and Commissions not Otherwise Provided for and to Validate the Prior Acts of Certain Boards and Commissions.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 5 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be numbered Sec. 132-A, and to read as follows:

"Sec. 132-A. Boards and commissions; quorum; number of votes necessary to validate acts. Whenever the number of members necessary to constitute a quorum to do business, or the number of members necessary to validate any act, of any board or commission of the Territory or of any political subdivision thereof, shall not be specified in the Act or ordinance creating the same or in any other law or ordinance, a majority of all the members to which such board or commission is entitled shall constitute a quorum to do business, and the concurrence of a majority of all the members to which such board or commission is entitled shall be necessary to make any action of such board or commission valid, provided that due notice shall have been given to all members of the board or commission or a bona fide attempt shall have been made to give such notice to all members to whom it was reasonably practicable to give such notice. This section shall not invalidate any act of any board or commission performed prior to the effective date of this section, which, under the general law then in effect, would otherwise be valid."

Section 2. All acts of any board or commission, for which no quorum has heretofore been specifically provided by statute, performed prior to the effective date of this Act, which, had the provisions of section 1 of this Act been in effect at the time of such performance, would have been valid under the provisions of said section 1, are hereby approved, ratified and confirmed. This section shall not invalidate any act of any board or commission performed prior to the effective date of this Act, which, under the general law then in effect, would otherwise be valid.

Section 3. This Act shall take effect upon its approval.

(Approved April 20, 1937.) S.B. 209, Act 40.

[Sec. 133 amended by Section 6 of Act 122, *infra*, page 42.]

BONDS OF PUBLIC OFFICERS.

[A-6] An Act to Amend Section 137 of the Revised Laws of Hawaii 1935, Relating to the Filing and Records of Bonds of Public Officers and Employees.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 137** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 137. Record of bonds. The treasurer shall keep a book to be called the 'bond record', in which he shall record such data in respect to each of such bonds as the governor shall by a general order direct, and after such record has been made, all such bonds, except his own, shall be kept on file in his office. The bond of the treasurer, after such record of it has been made, shall be deposited with and kept on file in the office of the auditor. The treasurer on receiving such bonds for record and filing shall issue receipts therefor, which receipts shall be filed in the office of the auditor." [L. 1905, c. 100, s. 5; R. L. 1935, s. 137; am. L. 1937, c. 67, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **S.B. 298, Act 67.**

USE OF PUBLIC BUILDINGS BY BLIND.

[A-7] An Act Authorizing the Operation of Stands by Blind Persons in Public Buildings.

Be it Enacted by the Legislature of the Territory of Hawaii:

[**Sec. 153.**] Section 1. [**Permits to use public buildings.**] For the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, the properly constituted custodians of public buildings, territorial and county, are hereby authorized to permit in such buildings, subject to rules and regulations prescribed by them, blind persons to operate stands for the vending of newspapers, periodicals, confections, tobacco products, and such other articles as may be approved for each

building by the custodian thereof. For the purposes of this Act, the term "blind person" means a person who has vision in the better eye, with correcting glasses, of less than twenty two-hundredths (20/200) or a disqualifying field defect sufficient to incapacitate him for self-support.

Any permit granted pursuant hereto may be terminated whenever the custodian in question is satisfied that the stand is not being operated in accordance with the rules and regulations applicable thereto.

Section 2. This Act shall take effect upon its approval.

(Approved May 12, 1937.) S.B. 410, Act 208.

Title II. AGRICULTURE AND FORESTRY.

CHAPTER 8. ANIMALS, BRANDS AND POUNDS.

ANIMALS, MONGOOSE.

[A-8] An Act to Amend Sections 257 and 258 of the Revised Laws of Hawaii 1935, Relating to Mongoose.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 257 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Section 257. Keeping or breeding; punishment. It shall be unlawful for any person to introduce, keep or breed any mongoose within the Territory except upon and according to the terms of a written permit which may be granted therefor by the Board of Commissioners of Agriculture and Forestry, in its discretion, to scientists, scientific institutions, associations or colleges, or to officers, boards or commissions of the Territory or any county excepting the County of Kauai. Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not less than two hundred and fifty nor more than one thousand dollars for each mongoose introduced, kept or bred contrary to the terms of this section."

[L. 1892, c. 48, s. 1; am. L. 1903, c. 8, s. 2; R. L. 1935, s. 257; am. L. 1937, c. 185, s. 1.]

Section 2. Section 258 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

“Section 258. Harboring mongoose; penalty. Any person harboring, feeding or in any way caring for a mongoose, except upon and according to the terms of a written permit which may be granted therefor by the Board of Commissioners of Agriculture and Forestry, in its discretion, to scientists, scientific institutions, associations or colleges, or to officers, boards or commissions of the Territory or any county, shall be guilty of a misdemeanor and upon conviction, punished by a fine not exceeding fifty dollars or by imprisonment not exceeding fifty days, or by both fine and imprisonment.” [L. 1907, c. 137, s. 7; R. L. 1935, s. 258; am. L. 1937, c. 185, s. 2.]

Section 3. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **H.B. 268, Act 185.**

SEIZURE AND DISPOSAL OF DISEASED DOGS.

[A-9] An Act Providing for the Seizure or Killing of Diseased Dogs Running at Large.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 288.] Section 1. **[Seizure of diseased dogs.]** Any police officer may seize and (after notice to the owner, if he can be found) may kill any dog running at large which is so obviously diseased as to be a menace to the health of persons or animals.

[Sec. 289.] Section 2. **[Disposition of; penalty.]** Any owner of any dog so diseased, who recovers such dog from such police officer, after notice as aforesaid, and does not forthwith furnish suitable medical treatment and care for, or destroy, such diseased dog, shall be guilty of a misdemeanor, and upon conviction, shall be punished by a fine of Five Dollars (\$5.00).

Section 3. This Act shall take effect upon its approval.

(Approved May 15, 1937.) **H.B. 323, Act 217.**

CHAPTER 9. BIRDS AND DEER; GAME BIRD FARMING.

BIRDS.

[A-10] An Act to Amend Chapter 9 of the Revised Laws of Hawaii 1935, by Amending Certain Sections Thereof and by Adding a New Section Thereto Relating to Birds and Deer: Game Bird Farming.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 9 of the Revised Laws of Hawaii 1935, is hereby amended:

(a) By amending Section 300 thereof to read as follows:

"Sec. 300. [Close season.] It shall be unlawful in the Territory of Hawaii to take, kill, destroy or have in possession any wild bird except during the open seasons as by this Section provided.

Open Seasons and Bag Limits.

Cock pheasants	Open season November 1 to January 3 of the following year. Bag limit 5 per day. It is unlawful to shoot hen pheasant.
Migratory Wild Duck.....	Open season November 1 to February 28 of each year. Bag limit 15 per day.
Quail	Open season November 1 to December 31 of each year. Bag limit 15 per day.
Plover, Snipe, Turnstone, Curlew, Stilt, Mudhen.....	Open season March 1 to May 15 of each year. Bag limit 15 per day.
Wild Doves, Wild Pigeons, Bar-Shouldered Doves	Open season September 1 to December 31 of each year. Bag limit 15 per day.

Hunting shall only be allowed during day light.

(1) To aid in the better protection and propagation of the above named birds or any variety or species thereof in any part

of the Territory, the Board of Commissioners of Agriculture and Forestry may reduce the said open seasons or bag limits throughout the Territory or in any county or in any part of any county as in their judgment may be necessary to guarantee a future supply of such birds of any variety or species in any part of or throughout the Territory, and may likewise thereafter increase the open seasons or bag limits back to but not over or more than the limits of season or bag limit in this Section provided.

(2) The Board of Commissioners of Agriculture and Forestry, to make such closed season, or reduction of the general open season, or such bag limit effective and binding, shall publish once a week for two successive weeks in a newspaper of general circulation throughout the Territory and in like manner in a newspaper published in the county or counties where such change in such season or bag limit is made, a notice setting forth the actions of the board and the rules and regulations relative thereto.

(3) It shall be unlawful for any person to violate any of the rules or regulations adopted by the Board for the protection or preservation of birds or to take, kill, destroy or possess any such birds at a time or in any number or manner, or of any kind or sex contrary to such rules and regulations." [L. 1895, c. 4, ss. 1, 2; am. L. 1903, c. 8, s. 2; am. L. 1911, c. 159, s. 1; am. L. 1913, c. 111, s. 1; am. L. 1915, c. 166, s. 1; am. L. 1921, c. 137, s. 1; am. L. 1925, c. 204, s. 1; am. L. 1927, c. 87, s. 1; R. L. 1935, s. 300; am. L. 1937, c. 199, s. 1.]

Section 2. Said Chapter 9 is further amended:

(b) By amending Section 301 thereof as amended by Act 79 (Series A-12) of the Session Laws of Hawaii 1935, to read as follows:

"Sec. 301. Certain birds protected. It shall be unlawful to take, kill or destroy any native wild duck, native wild goose (nene), migratory wild duck, migratory non-game gull, migratory non-game tern, plover, snipe, turnstone, curlew, stilt, mudhen, pheasant, quail, partridge, wild guinea fowl, wild dove or wild pigeon, wild peacock, or any new game birds which may be introduced into the Territory, prior to the establishment of an open season therefor by the Board of Agriculture and Forestry, or at any time except during an open season designated by the Board of Commissioners of Agriculture and Forestry or by the laws of the Territory of Hawaii for taking, killing, destroying or possessing the same." [L. 1925, c. 204, s. 2; am. imp. L. 1927, c. 264; R. L. 1935, s. 301; am. L. 1935, c. 79, s. 1; am. L. 1937, c. 199, s. 2.]

Section 3. Said chapter 9 is further amended:

(c) By amending section 302 thereof to read as follows:

"Sec. 302 Penalty. Any person convicted of violating any of the provisions of sections 300-301, shall be fined not less than twenty-five dollars (\$25.00) nor more than two hundred dollars (\$200.00) or be imprisoned for not less than thirty days (30) nor more than ninety days (90), or both fine and imprisonment." [L. 1925, c. 204, s. 3; R. L. 1935, s. 302; am. L. 1937, c. 199, s. 3.]

[Sec. 303 amended by Section 1 of following Act.]

Section 4. Said Chapter 9 is further amended:

(d) By amending Section 304 thereof to read as follows:

"Sec. 304. Prima facie evidence. It shall be deemed to be prima facie evidence that any person is guilty of violating the provisions of Section 303, if found with a trap, snare, net or any other device ordinarily used in hunting, killing or taking wild birds in his possession or is found at night, in the act of searching with a light for birds, in any locality where birds protected by law are known to roost." [L. 1931, c. 134, s. 2; R. L. 1935, s. 304; am. L. 1937, c. 199, s. 4.]

[See Section 2 of following Act, also amending Sec. 304.]

Section 5. Said Chapter 9 is further amended:

(e) By amending Section 305 thereof to read as follows:

"Sec. 305. [Common nuisances.] Nothing in Section 303 shall be construed to prohibit the destruction of predatory birds and such birds as shall be declared by the Board of Commissioners of Agriculture and Forestry to be common nuisances, or destructive to birds protected by law." [P. C. 1869, c. 85, pt. of s. 8; R. L. 1935, s. 305; am. L. 1937, c. 199, s. 5.]

Section 6. Said Chapter 9 is further amended:

(f) By amending Section 307 thereof to read as follows:

"Sec. 307. Excluded from definition. The European or house sparrow, the house finch, the rice bird, and any imported species of perching bird (or passerine), declared by the Board of Commissioners of Agriculture and Forestry to be injurious to forestry or agriculture, or to birds protected by law shall not be protected by Sections 306-313." [L. 1907, c. 104, s. 2; am. L. 1931, c. 134, pt. of s. 1; R. L. 1935, s. 307; am. L. 1937, c. 199, s. 6.]

Section 7. Said Chapter 9 is further amended:

(g) By amending Section 308 thereof to read as follows:

"Sec. 308. Catching, etc. of beneficial and perching birds prohibited. It shall be unlawful for any person to take, catch or kill any beneficial and perching bird (or passerine) other than those specified in Section 307, or to have in his possession the body of any such bird, or to take, destroy, or have in possession the nest or eggs of any such bird." [L. 1907, c. 104, s. 3; am. L. 1909, c. 68, pt. of s. 1; R. L. 1935, s. 308; am. L. 1937, c. 199, s. 7.]

[Sec. 309 amended by Section 3 of following Act.]

Section 8. Said Chapter 9 is further amended:

(h) By amending Section 317 thereof to read as follows:

"Sec. 317. Farmer's license. For the purpose of encouraging game bird farming and the domestication and propagation of game birds, a game bird farmer's license, which shall authorize the licensee to engage in the business of breeding and selling game birds, as limited herein, shall be issued by the Board of Commissioners of Agriculture and Forestry, with such rules and regulations as may be provided by the Board, to any responsible resident person duly applying therefor, such licenses to expire on June 30, of each year.

The fee for such license shall be one dollar (\$1.00); provided, however, that the Board may authorize any governmental agency to breed and sell such birds, and may authorize any person to possess lawfully obtained game birds." [L. 1925, c. 257, s. 1; am. imp. L. 1927, c. 264; am. L. 1933, c. 124, s. 1; R. L. 1935, s. 317; am. L. 1937, c. 199, s. 8.]

Section 9. This Act shall take effect upon its approval.

(Approved May 10, 1937.) H.B. 340, Act 199.

[A-11] An Act to Amend Sections 303, 304 and 309 of the Revised Laws of Hawaii 1935, Relating to Penalties for Destroying Certain Birds and to the Protection of Introduced Birds.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 303 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 303. Protection of introduced birds, punishment. Except as otherwise provided, it shall be unlawful for any person to shoot, snare, capture, or capture by the use of bird line, hold in captivity,

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or in any way destroy, sell or offer for sale, any wild introduced bird, or any of the progeny of such bird, which has been brought into the Territory for the purpose of propagating its species within the Territory, or to disturb the eggs or nests of such birds.

The European or house sparrow, the house finch, the rice bird or any other species of imported birds injurious to forestry or agriculture, shall not be protected by this section.

Any person convicted of violating the provisions of this section shall be fined not more than one hundred dollars (\$100.00) or be imprisoned for not more than forty-five (45) days.

Provided, however, the board of commissioners of agriculture and forestry may issue permits to trap said birds for the purpose of distributing the same to other localities within the Territory." [P. C. 1869, c. 85, ss. 3, 4; am. L. 1870, c. 13, s. 1; am. imp. L. 1892, c. 41; am. L. 1903, c. 8, s. 2; R. L. 1935, s. 303; am. L. 1935, c. 79, s. 2; am. L. 1937, c. 118, s. 1.]

Section 2. Section 304 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 304. Prima facie evidence. It shall be deemed to be prima facie evidence that any person is guilty of violating the provisions of section 303, if the person is found with a trap or snare or bird lime in his possession or is found at night, in the act of searching with a light for birds, in any locality where imported birds are known to roost." [L. 1931, c. 134, s. 2; R. L. 1935, s. 304; am. L. 1935, c. 118, s. 2.]

[See Section 4 of next preceding Act, also amending **Sec. 304.**]

Section 3. Section 309 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 309. Penalty. Any person convicted of violating sections 306-313 shall be fined not more than one hundred dollars (\$100.00), or be imprisoned for not more than forty-five (45) days, provided, however, that the preceding section shall not apply to any person holding a permit issued in accordance with the provisions of section 310, giving him the right to collect any species of beneficial and perching bird (or passerine), their eggs or nests for scientific purposes only, unless such person shall violate the conditions of such permit." [L. 1907, c. 104, s. 4; am. L. 1909, c. 68, pt. of s. 1; R. L. 1935, s. 309; am. L. 1937, c. 118, s. 3.]

Section 4. This Act shall take effect upon its approval, but shall apply only to offenses committed subsequent to such approval.

(Approved April 30, 1937.) **S.B. 49, Act 118.**

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CHAPTER 11. FISH AND FISHING, GENERAL.

FISHING WITH FIREARMS.

[A-12] An Act to Amend Section 369 of the Revised Laws of Hawaii 1935, Relating to Fishing With Firearms and Sling-Shot Guns and Arrows.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 369 of the Revised Laws of Hawaii 1935, as amended by Act 58, Series A-14, of the Session Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 369. Fishing with firearms, etc. It is declared unlawful for any person to take or kill any turtle, or fish other than sharks, in the waters of the Territory by means of, or to pursue any such fish or turtle with, any firearms. For the purpose of this section, 'firearms' shall include arrow guns and sling-shot guns, provided, however, that arrow guns and sling-shot guns may be so used by citizens of the United States over the age of sixteen years except in the pursuit, taking or killing of any fish or turtle in any kuuna fishing ground, provided, further, however, that any turtle or fish so taken, killed or caught outside of kuuna fishing grounds shall be for home consumption only. Whosoever violates the provisions of this section shall be punished by a fine of not less than ten nor more than fifty dollars, or by imprisonment not less than ten nor more than twenty days, or by both fine and imprisonment." [L. 1925, c. 76, ss. 1, 2; R. L. 1935, s. 369; am. L. 1935, c. 58, s. 1; am. L. 1937, c. 26, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Became effective April 14, 1937, without the Governor's signature.)
S.B. 104, Act 26.

FISHING WITH FLAILS, MOLOKAI.

[A-13] An Act to Amend Section 1 of Act 41, Series A-14A, Session Laws of Hawaii 1935, Relating to Fishing With Flails in the Shoal Waters of Molokai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1 of Act 41, Series A-14A, Session Laws of Hawaii 1935, is hereby amended to read as follows:

“(Sec. 369a) Section 1. (**Fishing with flails; Molokai.**) The use of flails or any other similar device whatsoever to drive or capture fish for commercial purposes in the shoal waters of Molokai is hereby forbidden.” [L. 1935, c. 41, s. 1; am. L. 1937, c. 5, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved March 27, 1937.) **H.B. 111, Act 5.**

DESTRUCTION OF FOOD FISHES.

[A-14] An Act to Amend Section 375 of the Revised Laws of Hawaii 1935, Relating to Size of Fish Net Mesh.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 375** of the Revised Laws of Hawaii 1935 is hereby amended

(a) by deleting the word “hahalalu”, appearing in line 14 thereof;

(b) by inserting, after the second paragraph thereof, a new paragraph to read as follows:

“Nothing in this section, however, shall be construed to prohibit the use of nets or seines, having a mesh or opening of one and one-half inches stretched measure in fishing for and the taking of the fish known as hahalalu; provided, however, that the nets or seines so used shall not be dragged into shore.”

Section 2. This Act shall take effect upon its approval.

(Approved April 30, 1937.) **S.B. 86, Act 119.**

HINANA.

[A-15] An Act Relating to the Protection of Hinana.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 387A.] Section 1. [**Taking of, prohibited.**] It shall be unlawful, (any provisions of the law to the contrary notwithstanding), for any person to fish for, or attempt to take from any of the rivers, or waters adjacent thereto, within the jurisdiction of the Territory of Hawaii, any of the fish known as HINANA, by means of traps or weirs erected or anchored in any of said waters.

[Sec. 387B.] Section 2. [**Penalty.**] Any person violating any of the provisions of this Act, shall, upon conviction, be punished

by a fine of not more than fifty dollars or by imprisonment of not more than twenty days, or by both fine and imprisonment.

Section 3. This Act shall take effect upon its approval.

(Approved April 20, 1937.) H.B. 29, Act 41.

CHAPTER 12. PROTECTION OF ANIMAL, FISH AND PLANT LIFE.

[A-16] An Act Amending Chapter 12 of the Revised Laws of Hawaii 1935, Relating to the Collection and Expenditure of Money for the Protection of Animal, Fish and Plant Life.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 12 of the Revised Laws of Hawaii 1935, is hereby amended by amending section 412 thereof to read as follows:

"Sec. 412. (a) Special fund. All moneys collected each month as fees for hunting and fishing permits or licenses, in each county and city and county and all fees for commercial fishing, including commercial fishermen's licenses, permits for sampans, outrigger canoes and row boats, night angling, throw nets and mullet licenses, and all other moneys collected under the provisions of any law relating to the importation, taking, catching, killing of fish, game, game birds and game animals shall be paid into the Treasury of the Territory of Hawaii, and shall be deposited in a special fund to the credit of the board of commissioners of agriculture and forestry and shall be expended by the board for the importation, preservation, propagation and protection of game fish, game birds, other game animals or crustaceans into or in the Territory, and to the payment of expenses incurred in the prosecution of offenders against the fish and game and fish and game license laws of the Territory, and the conservation of commercial fisheries and all phases of the work pertaining thereto and all expenses connected therewith, which the board in its discretion deems expedient on warrants drawn by the Auditor of the Territory based on vouchers approved by the president of the board.

(b) All moneys now on deposit in the Territorial Treasury to the credit of the board of commissioners of agriculture and forestry for the importation, preservation, propagation and protection of game, fish, game birds, and other game animals as provided by section 412 of the Revised Laws of 1935, and all moneys on deposit

in the Territorial Treasury for the conservation of commercial fisheries of the Territory and all phases of work pertaining thereto as provided by section 413 of the Revised Laws of Hawaii 1935, shall be immediately transferred to the special fund created by this section." [L. 1933, c. 174, s. 1; R. L. 1935, s. 412; am. L. 1937, c. 187, s. 1.]

Section 2. **Section 413** of said Revised Laws of Hawaii 1935, is hereby repealed.

Section 3. Said chapter 12 is further amended by adding a new section thereto to be known as section 414 relating to the definition of the word "Fish" as used therein:

"Sec. 414. [Fish defined.] When used in this chapter: 'fish' includes amphibians, mollusks, crustaceans and the spawn and ova of fish, amphibians, mollusks and crustaceans."

Section 4. All provisions of law in conflict with this Act are to the extent of such conflict superseded by this Act.

Section 5. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **H.B. 339, Act 187.**

Title III. ATTORNEY GENERAL.

CHAPTER 13. ATTORNEY GENERAL.

[A-17] An Act to Amend Section 508 of the Revised Laws of Hawaii 1935, Relating to the Appointment, Removal, Powers and Duties of an Assistant Attorney General and Deputy or Deputies Attorney General.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 508** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 508. Assistant attorney general; deputies. The attorney general shall appoint and commission, and at his pleasure remove, an assistant attorney general and such deputy or deputies as the exigencies of the public service may require, and shall be responsible for all of the acts of such assistant attorney general and such deputy or deputies. The assistant attorney general and the deputy or deputies shall act under the direction of the attorney general and shall perform such duties as the attorney general

may, from time to time, require and, subject to such directions, may perform or exercise any and all duties or powers by law required of or conferred upon the attorney general. The attorney general may appoint and at his pleasure remove such special deputy or deputies to perform such duties and exercise such powers as the attorney general may specify in their several commissions. The assistant attorney general and all of the said deputy or deputies shall take the oath required of other public officers." [L. 1866, p. 18; R. L. 1935, s. 508; am. L. 1937, c. 52, s. 1.]

Section 2. This Act shall take effect upon July 1, 1937.

(Approved April 21, 1937.) S.B. 347, Act 52.

CHAPTER 14. HIGH SHERIFF AND TERRITORIAL POLICE.

[A-18] An Act to Amend Sections 518 and 3791 of the Revised Laws of Hawaii 1935, Relating to Salaries and Fees of High Sheriff, Sheriff and Territorial Police.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 518 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 518. Salaries, fees. The high sheriff and deputies high sheriff and the sheriffs of the various counties and city and county of Honolulu and their respective deputies and police officers, shall receive in full payment of their services such annual salaries or compensation as shall from time to time be prescribed by the legislature or by the various boards of supervisors of such counties or city and county; provided, that the legally prescribed fees for such service of summons, subpoena, attachment, execution, or other civil process of court, as provided by sections 3790 and 3791 shall belong to the high sheriff or deputy high sheriff, or to the county sheriff or deputy county sheriff, or to the city and county sheriff or deputy city and county sheriff, or to the police officer making such service." [L. 1888, c. 8, s. 12; am. L. 1892, c. 13, s. 1; am. L. 1923, c. 222, s. 1; am. L. 1927, c. 38, s. 1; R. L. 1935, s. 518; am. L. 1937, c. 157, s. 1.]

Section 2. **Section 3791** of the Revised Laws of Hawaii 1935, is hereby amended by inserting between lines 43 and 44 of said section the sentence:

“For duly returning as unserved after due and diligent search any summons, when it has been found that the person to be served has left the Territory of Hawaii, one dollar.”

Section 3. This Act shall take effect upon its approval.

(Approved May 6, 1937.) H.B. 499, Act 157.

Title IV. AUDIT OF PUBLIC ACCOUNTS.

CHAPTER 15. AUDIT DEPARTMENT; DUTIES.

FORMS.

[A-19] An Act to Amend Section 596 of the Revised Laws of Hawaii 1935, Relating to the Form of Accounting to the Auditor of Moneys Collected by the Various Departments of the Territorial Government and Deposited With the Territorial Treasurer, so as to Provide for a New Form.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 596 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

“Section 596. Account of money collected.

Territory of Hawaii

SCHEDULE OF COLLECTIONS AND DEPOSITS

With the

Treasurer, Territory of Hawaii

By.....
Department

.....19.....
Fund Month

COLLECTIONS DEPOSITS				RECAPITULATION OF DEPOSITS BY SOURCES		For Auditor's Use Only
DATE	AMOUNT	TREASURER'S RECEIPT NO.	AMOUNT	SYMBOL	TOTAL AMOUNT	
					This Month	This Fiscal Year to Date
Totals						

I do solemnly swear that the above is a true and faithful account

AUDIT DEPARTMENT.

SERIES A-19.—Act 106]

SERIES A-20.—Act 113]

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of all moneys collected by me and deposited with the Treasurer of the Territory as above specified.

.....
Public Accountant.

Subscribed and sworn to before me

this.....day of....., 193.....

.....
Instructions: Prepare in duplicate by carbon process, by use of typewriter, send ORIGINAL to Auditor's office not later than the 5th of each month. Prepare separate schedule for each fund.

[L. 1898, c. 39, sch. E; am. L. 1927, c. 219, s. 15; R. L. 1935, s. 596; am. L. 1937, c. 106, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 462, Act 106.**

DESTRUCTION OF OLD RECORDS.

[A-20] An Act to Amend Chapter 15 of the Revised Laws of Hawaii 1935, Relating to the Audit Department, so as to Provide for the Destruction of Certain Old Vouchers and Papers in the Office of the Auditor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 15 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to be known as section 599 to read as follows:

"Sec. 599. Destruction of vouchers, etc. At the end of each fiscal year, the auditor, with the approval of the secretary and the attorney general of the Territory, may destroy all vouchers, documents and/or other records or papers on file with the auditor or kept in his department for a period of more than ten years (exclusive of permanent records) which in his opinion are no longer of any use or value."

Section 2. This Act shall take effect upon its approval.

(Approved April 29, 1937.) **H.B. 461, Act 113.**

CHAPTER 18. BUDGET BUREAU.

[A-21] An Act to Amend Section 636 of the Revised Laws of Hawaii 1935, Relating to Transmitting the Budget to the Legislature.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 636 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 636. Governor to transmit budget to Legislature; contents. The Governor shall transmit to the Legislature on the first day of each regular session and to each of the members of the Senate and of the House of the Legislature not less than twenty (20) days before the Legislature convenes, the budget, which shall set forth in summary and detail: (a) estimates of the expenditures and appropriations necessary in his judgment for the support of the government for the ensuing biennial period; (b) his estimates of the receipts of the government during the ensuing biennial period, under (1) laws existing at the time the budget is transmitted and also (2) under the revenue proposals, if any contained in the budget; (c) the expenditures and receipts of the government during the last completed biennial period; (d) estimates of the expenditures and receipts of the government during the biennial period in progress; (e) the amount of annual, permanent or other appropriations, including balances of appropriations for prior biennial periods, available for expenditure during the biennial period in progress, as of February 1 next preceding each regular session; (f) balanced statements of (1) the condition of the treasury at the end of the last completed biennial period, (2) the estimated condition of the treasury, at the end of the biennial period in progress, and (3) the estimated condition of the treasury at the end of the ensuing biennial period if the financial proposals contained in the budget are adopted; (g) all essential facts regarding the bonded and other indebtedness of the government; and (h) such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the government." [L. 1925, c. 56, s. 2; R. L. 1935, s. 636; am. L. 1937, c. 115, s. 1.]

Section 2. This Act shall take effect from and after the date of its approval.

(Approved April 30, 1937.) **H.B. 235, Act 115.**

Title V. EDUCATION.

CHAPTER 19. ADMINISTRATION AND DEPARTMENT OF PUBLIC INSTRUCTION.

OFFICERS, AGENTS, TEACHERS, SERVANTS.

[A-22] An Act to Authorize the Department of Public Instruction to Permit Teachers Serving Under Special Schedules to Attend Summer School.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 712D.] Section 1. [**Special leaves.**] The Commissioners and Superintendent of Public Instruction are authorized to arrange for teachers serving in schools on the "coffee schedule" or "pineapple schedule" to be excused at least every fourth year from regular services without loss of pay for full-time attendance at summer school; provided that in selecting teachers for this privilege preference shall be given to teachers who have been serving longest in the schools of Hawaii.

[Sec. 712E.] Section 2. [**Substitute teachers, pay.**] In filling vacancies caused by the absence of teachers released for summer school attendance, the Department shall use as substitutes qualified applicants having the necessary residence qualifications for regular teachers who are graduates of the Teachers' College, University of Hawaii, or of the Territorial Normal School, or of some other recognized teachers' training institution, or who have had prior teaching experience in the Department of Public Instruction of the Territory, such teachers to receive the regular pay of substitutes.

Section 3. This Act shall take effect upon its approval.

(Approved May 10, 1937.) H.B. 504, Act 193.

SCHOOLS.

[A-23] An Act to Amend Section 731 of the Revised Laws of Hawaii 1935, Relating to Education.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 731 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“Sec. 731. Fees. The department may in its discretion establish, maintain or discontinue standard schools in places where schools of the same grade for pupils within the compulsory age are readily accessible to the children of such district. The department may authorize schools to levy and collect special fees for the purpose of covering breakage, replacement of apparatus and supplies, and the purchase of new equipment and supplies furnished by any such school, which fees shall be deposited in a separate fund by such schools and expended by them under such rules and regulations as the department may prescribe. No equipment, material or other fees shall be assessed against any pupil in any elementary school.” [L. 1896, c. 57, s. 23; am. L. 1927, c. 103, s. 1; am. L. 1931, c. 263, s. 1; am. L. 1933, c. 192, s. 1; R. L. 1935, s. 731; am. L. 1937, c. 201, s. 1.]

Section 2. This Act shall take effect July 1, 1937.

(Approved May 10, 1937.) **S.B. 250, Act 201.**

**WAIKELE HOMESTEADS, OAHU; ADDITIONAL GRADES
IN OTHER SCHOOLS.**

[A-24] An Act to Establish and Maintain a School at Waialeale Homesteads, Waipahu, Oahu, and to Provide Additional Scholastic Grades in Other Schools of the Territory and Appropriating Monies Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

[**Sec. 744A.**] Section 1. [**Establishment and Maintenance.**] A school at Waialeale Homesteads facing on the new road, Waipahu, Oahu, shall be established and maintained by the Department of Public Instruction.

[**Sec. 744B.**] Section 2. [**Additional Grades to be Established.**] The Department of Public Instruction shall establish additional grades in certain schools in the Territory, the schools, the addi-

tional grades to be established, and the times at which they are to be established, to be as designated in the following table:

School	Grades to Be Added	Time of Establishment
RURAL, OAHU		
Andrew Cox Intermediate	11th Grade	September, 1937
	12th Grade	September, 1938
Benjamin Parker	9th Grade	September, 1937
	10th Grade	September, 1938
Kahuku	10th Grade	September, 1937
	11th Grade	September, 1938
New High School (Waipahu-Ewa)		
7th, 8th, 9th, 10th, Grades		September, 1938
KAUAI		
Kapaa	9th Grade	September, 1937
Kalaheo	9th Grade	September, 1937
MAUI		
Hana	10th Grade	September, 1937
Kealahou	9th Grade	September, 1937
Lanai City Intermediate	11th Grade	September, 1937
	12th Grade	September, 1938
Molokai Intermediate	10th Grade	September, 1937
	11th Grade	September, 1938
Wailuku Intermediate	11th Grade	September, 1937
Wailuku Senior High		
9th, 10th, 11th, 12th Grades		September, 1938
Kilohana	10th Grade	September, 1937
HAWAII		
Olaa	9th Grade	September, 1937
Honokaa Intermediate	Sr. High	September, 1937
Laupahoe Intermediate	11th Grade	September, 1937
	12th Grade	September, 1938
Hakalau	9th Grade	September, 1937
Kalaniana'ole	9th Grade	September, 1937
Pahala	10th Grade	September, 1937
	11th Grade	September, 1938
Naalehu	9th Grade	September, 1937

Section 3. [**Appropriation.**] The sum of Ninety-Eight Thousand Eight Hundred Dollars (\$98,800.00) is hereby appropriated from the general revenues of the Territory of Hawaii for the purposes of this Act. Such sum shall be expended upon vouchers

signed by the Superintendent of Public Works when the vouchers shall have been approved by the Department of Public Instruction.

Section 4. This Act shall take effect upon its approval.

(Approved May 10, 1937.) H.B. 204, Act 191.

PUPILS; ATTENDANCE; PUNISHMENT.

[A-25] An Act Relating to Compulsory School Attendance, Amending Section 745, Revised Laws of Hawaii 1935, and Raising the Age From Fourteen Years to Sixteen Years.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 745 of the Revised Laws of Hawaii 1935, is hereby amended by:

(a) Amending the first paragraph thereof to read as follows:

"Section 745. Attendance compulsory: exceptions. The attendance of all children who have arrived at the age of six years at the date of the opening of any school year and of all children who have not arrived at the age of sixteen years at such date and who will not arrive at the age of sixteen years during the school year, at either a public or private school is obligatory and it shall be incumbent upon any parent, guardian and other person having the responsibility and/or care of a child whose attendance at school is obligatory to send the child to some such school; PROVIDED, that such attendance shall not be compulsory in the following cases:"

(b) Amending paragraph numbered 4 of said **section 745** to read as follows:

"4. Where any child who has passed the eighth grade resides more than four miles from any public school teaching classes above the eighth grade."

(c) Adding at the end thereof a new paragraph, to be numbered 11, and reading as follows:

"11. Where a child, prior to September 1, 1937, has left school by reason of having attained the age of fourteen years."

Section 2. This Act shall take effect on and after September 1, 1937.

(Approved May 10, 1937.) H.B. 3, Act 190.

CHAPTER 20. MAINTENANCE OF PUBLIC SCHOOLS.

[A-26] An Act to Amend Chapter 20 of the Revised Laws of Hawaii 1935, Relating to Maintenance of Public Schools by Amending Section 771 Thereof and by Repealing Section 772 Thereof.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 20, Section 771 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

“Section 771. Departmental Estimates. On or before November 15 preceding each biennial session of the Legislature, unless another time is fixed by the Governor, the department shall prepare departmental estimates, which shall be subject to the provisions of Chapter 18. Such departmental estimates shall show the estimated expenses, other than salaries covered by Section 770 of this Chapter and Act 20, Session Laws of 1935, of the public schools and of the department for the next ensuing biennial period, and shall show estimated requirements for: Salary of Superintendent, salaries of office force, general expenses, supplies, books and libraries, industrial and manual training, and special schools.” [L. 1911, c. 88, s. 2; am. L. 1913, c. 48, s. 1; am. L. 1932, 2d, c. 57, s. 2; R. L. 1935, s. 771; am. L. 1937, c. 144, s. 1.]

Section 2. **Section 772** of Chapter 20 of the Revised Laws of Hawaii 1935, is hereby repealed.

Section 3. This Act shall take effect on its approval.

(Approved May 5, 1937.) **H.B. 469, Act 144.**

CHAPTER 21A. FEDERAL AID.**ACCEPTANCE OF FEDERAL ASSISTANCE.**

[A-27] An Act to Provide for the Administration in the Territory of Hawaii of Such Funds as May be Provided for Public Education by the Government of the United States Under the Conditions of the "Harrison-Black-Fletcher" Bill or Any Other Bill of Like Nature as May be Enacted Into Law by the Congress of the United States.

WHEREAS, there was introduced in the House of Representatives of the Congress of the United States a bill, H. R. 5360 generally spoken of as the Harrison-Black-Fletcher Bill, and to be known as the "Educational Equalization Act" having as its purpose, the enabling of the several states and territories to provide more equal and adequate opportunities for public education; and

WHEREAS, should this bill become law, there will be appropriated by the Federal Government for the fiscal year ending June 30, 1937, the sum of two hundred million dollars (\$200,000,000.00); for the fiscal year ending June 30, 1938, the sum of two hundred and fifty million dollars (\$250,000,000.00); for the fiscal year ending June 30, 1939, the sum of three hundred and fifty million dollars (\$350,000,000.00); for the fiscal year ending June 30, 1940, and for each fiscal year thereafter, the sum of five hundred million dollars (\$500,000,000.00), all sums thus appropriated to be used for the improvement of state and territorial systems of public education; and

WHEREAS, should this bill become law, no financial demand of whatsoever nature is exacted of any of the several states or territories; and

WHEREAS, under the present set-up of Hawaii's educational program, the passage of this bill would mean the allotment of large sums of money for educational purposes in the territory, provided the Legislature of the Territory of Hawaii effect the enactment of legislation providing for the designation of some legal educational authority to represent the territory in the administration of the provisions of this Act; and

WHEREAS, it is fitting and proper that the Territory of Hawaii be prepared to qualify for such federal assistance as is proposed in this bill, the proceeds of which would help very materially provide for much of the needed and additional assistance now being requested of this Legislature; now, therefore

Be it Enacted by the Legislature of the Territory of Hawaii:

[**Sec. 793.**] Section 1. [**Commissioners to Administer Funds.**] That in the event, H. R. 5360 or any other act of Congress providing financial assistance to states and territories for the purpose of enabling and providing more adequate opportunities for public education become law, the Commissioners of Public Instruction are hereby designated as the Administrators of such funds as shall be apportioned to the Territory of Hawaii.

[**Sec. 794.**] Section 2. [**Treasurer custodian of funds.**] The Treasurer of the Territory of Hawaii is hereby designated as custodian of all such funds as may be received as the territorial apportionment under the provisions of any of said federal appropriations and he is hereby authorized and directed to disburse said funds on vouchers approved by the Commissioners of Public Instruction.

[**Sec. 795.**] Section 3. [**Use of funds, limitations.**] The Commissioners of Public Instruction as Administrators of such funds as may be allotted to the Territory of Hawaii under the provisions of such federal legislation, are hereby, subject to such limitations as may be imposed by Congressional action, authorized and directed to use such funds to improve the program of the public schools by expanding the educational offerings, particularly in the rural districts; to employ such additional teachers as may be necessary to carry on such expansion; and to provide for the purchase of such supplies, apparatus and materials, covering breakage and replacements, as may be necessary for use in such of the elementary schools as have assumed an educational program above the eighth grade.

Section 4. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 526, Act 107.**

PRE-SCHOOL EDUCATION.

[**A-28**] An Act to Authorize the Department of Public Instruction to Conduct Pre-School Education in Accordance With Laws and Regulations of the Federal Government.

Be it Enacted by the Legislature of the Territory of Hawaii:

[**Sec. 796.**] Section 1. [**Commissioners to administer funds.**] The commissioners of public instruction are hereby authorized and directed to organize and conduct a program of pub-

lic pre-grade education to the extent that funds provided therefor by the United States government (hereinafter referred to as "federal funds") are or may from time to time become available. In establishing and carrying on such pre-grade education any such federal funds shall be expended during any school year as nearly as practicable in each of the eight school supervisory districts of the Territory in the proportion which the number of inhabitants of each such district of less than six but not less than five years of age bears to the total number of such inhabitants of the entire Territory within such age limits, as shown by the latest report of the bureau of vital statistics of the Territory preceding the opening of such school year.

[Sec. 797.] Section 2. [Treasurer custodian of funds.] The treasurer of the Territory is hereby authorized to act as custodian of such federal funds and to disburse or provide for the disbursement of the same, pursuant to such requirements, restrictions and regulations as may be imposed by or pursuant to the Acts of Congress under which such funds may be provided.

[Sec. 798.] Section 3. [Authority to secure Federal Funds.] The department of public instruction, treasurer and governor of the Territory are authorized to take such steps and perform such acts as may be necessary or proper in order to secure any such federal funds for the purposes specified in this Act.

Section 4. This Act shall take effect upon its approval.

(Approved May 6, 1937.) S.B. 380, Act 155.

CHAPTER 22. LIBRARY OF HAWAII: COUNTY LIBRARIES.

LIBRARY OF HAWAII.

[A-29] An Act to Amend Section 803, Revised Laws of Hawaii 1935, Relating to Reports by the Trustees of the Library of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That Section 803, Revised Laws of Hawaii 1935, be amended to read as follows:

"Sec. 803. **Annual report to governor.** Annually during the month of July but as of June 30 preceding, the board shall report to the governor the moneys received from all sources and ex-

pended for all purposes during the preceding year, and any other matters pertaining to the library which they may deem important or the governor may require." [L. 1909, c. 83, s. 5; R. L. 1935, s. 803; am. L. 1937, c. 33, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 19, 1937.) **H.B. 345, Act 33.**

[**A-30**] An Act to Amend Chapter 22 of the Revised Laws of Hawaii 1935, Relating to the Library of Hawaii and County Libraries.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 22 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto the following new sections, and to be numbered as follows:

"Sec. 812. Exchange privileges. The trustees of the Library of Hawaii and the managing boards of the various county libraries are authorized to contract on behalf of their respective libraries for the exchange of librarians with librarians of any state, country or territory. Local librarians so exchanged shall be paid their regular salaries out of the funds appropriated for personal services in the library budget for the library concerned; provided, however, that the qualifications of all librarians from any such state, country or territory so exchanged shall be equal to those of the local librarians exchanged. In the selection of local librarians for exchange, preference shall be given to persons born in the Territory, and the requirements of citizenship shall not apply to any librarian coming to the Territory from any foreign state, country or territory under any such contract of exchange. All librarians so exchanged shall furnish their own transportation to and from the state, country or territory with which exchanged.

No compensation shall be paid by the Territory to visiting exchange librarians; provided that in any case where the local exchanged librarian becomes incapacitated or, for any reason, leaves the exchange position permanently, the library concerned may pay the visiting exchange librarian an amount not to exceed the salary rating of the local exchanged librarian, such an arrangement to continue until the end of the period of exchange or until such time as some satisfactory adjustment has been made.

"Sec. 813. Leaves of absence. The public libraries of the Territory are hereby authorized to grant a year's leave of absence

to any trained librarian who has served eight years in the said libraries of Hawaii, such librarian to be guaranteed a return to his or her position at the expiration of the leave. In granting such leave, librarians with the longest period of service shall be given first consideration. The resultant vacancy shall be filled by the appointment of a substitute for a period of no more than one year, such substitute to be paid the minimum salary provided for that position on the official salary schedule for such library.

The said libraries shall pay to the librarian granted such leave of absence the difference between the minimum salary provided for the position vacated and the salary to which such librarian would be entitled if regularly reappointed, such payment to be made in twelve monthly installments, the last two of which shall not be made until after the librarian has returned to his or her position; provided that the librarian granted such leave shall not engage in any form of employment, and shall devote at least one-third of his or her total leave either to travel or to study, or both, such as would contribute to the value of such librarian to the public library system of this Territory. Such leaves shall not be extended beyond one year and may not be repeated until after a period of eight additional years of service."

Section 2. This Act shall take effect upon its approval.

(Approved April 20, 1937.) S.B. 54, Act 42.

CHAPTER 23. UNIVERSITY OF HAWAII.

SOIL CONSERVATION.

[A-31] An Act to Provide for the Conservation, Protection, Improvement and Profitable Use of Agricultural Land Resources of the Territory of Hawaii and for Cooperation with the Governments and Agencies of the Federal Government, the States of the United States and Other Territories Pursuant to the Provisions of Section 7 of an Act of the Congress of the United States Known as "Soil Conservation and Domestic Allotment Act" (Public No. 46, Approved April 27, 1935, as Amended by Public No. 461, Approved February 29, 1936): to Designate and Authorize the Board of Regents, University of Hawaii, as the Agency of this Territory to Formulate, Submit to the Secretary of Agriculture of the United States and Administer Agricultural Plans in Conformity with

the Provisions of said Act; to Define the Powers and Duties of the said Board of Regents, University of Hawaii, as such Agency; to Authorize the said Agency to Establish Territorial, County and Community Committees or Associations of Agricultural Producers and Generally to Carry Out the Purposes of this Act.

WHEREAS, there has been enacted by the Senate and House of Representatives of the United States of America in Congress assembled an act known as the "Soil Conservation and Domestic Allotment Act" (Public No. 46, 74th Congress, approved by the President of the United States April 27, 1935, as amended by Public No. 461, 74th Congress approved February 29, 1936); and

WHEREAS, the purposes and objectives of section 7 of said act are closely allied with the agricultural policies of the Territory of Hawaii administered through the Agricultural Experiment Station and the Agricultural Extension Service of the University of Hawaii, and the effective administration of the agricultural policies of this Territory requires the cooperation of this Territory with the Federal, State and other Territorial governments and agencies of the United States in the accomplishment of the policies and purposes of said section 7 of said act of Congress; and

WHEREAS, the provisions of section 7 of said act of Congress contemplate legislative action by the several States and Territories desiring to cooperate therein; now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

[**Sec. 840.**] Section 1. [**Adoption of Policy.**] That the Territory of Hawaii adopts the policy of cooperating with the Federal, State and other Territorial governments and agencies of the United States in carrying out the policy and purposes specified in section 7 (a) of the Act of Congress known as the "Soil Conservation and Domestic Allotment Act" (Public No. 46, 74th Congress, approved by the President of the United States April 27, 1935, as amended by Public No. 461, 74th Congress, approved February 29, 1936).

[**Sec. 841.**] Section 2. [**Board to act as agency, submit plans.**] The Board of Regents, University of Hawaii (hereinafter called the "Board"), is hereby designated and authorized to serve as the agency of this Territory (or "State agency" within the meaning of the term "State" as made applicable by section 17 (a) of said act to the Territory of Hawaii) to formulate, submit to the Secretary of Agriculture of the United States and administer plans (or "State plans" within the meaning of the term

“State”, as aforesaid), hereinafter termed “agricultural plans”, pursuant to the provisions of section 7 of said Soil Conservation and Domestic Allotment Act.

[Sec. 842.] Section 3. [Powers and duties.] The Board is hereby authorized and empowered:

(1) To formulate, pursuant to the standards therefor set forth in section 7 (a) of said Act of Congress, agricultural plans for this Territory for each calendar year, commencing with the year 1938, and from time to time to make such revisions in such agricultural plans as may be necessary to conform to such standards;

(2) To utilize, in formulating and revising such agricultural plans, the assistance of the Agricultural Extension Service and the Agricultural Experiment Station;

(3) To designate in such agricultural plans the Board of Regents, University of Hawaii, as the agency of this Territory to administer such agricultural plans;

(4) To submit such agricultural plans to the Secretary of Agriculture of the United States, prior to such time and in such manner and form as the said Secretary may prescribe;

(5) To receive on behalf of the Territory of Hawaii any grants made pursuant to section 7 of said Soil Conservation and Domestic Allotment Act, and to utilize and expend such grants in accordance with the provisions of such agricultural plans as may have been approved by said Secretary of Agriculture;

(6) To make provision for establishment of Territorial, county and community committees or associations of agricultural producers, organized for such purpose, and for participation by them in the administration of such agricultural plans;

(7) To employ such personal services and incur such other expenses as it finds necessary for the efficient exercise of its powers and duties under this act;

(8) To utilize in the administration of the provisions hereof available services and assistance of other agencies of this Territory and of the Agricultural Extension Service and the Agricultural Experiment Station of the University of Hawaii;

(9) To delegate to committees, associations, individuals, corporations, or other agencies of this Territory, such functions in carrying out the provisions of this act as it deems suitable, and to exercise all other powers and authorities and to do any and all other things which it may deem necessary or proper to the performance of its duties and functions hereunder;

(10) To provide for the submission to said Secretary of Agriculture of such reports as may be deemed requisite, including such reports as may be required to ascertain whether such agricultural plans are being carried out according to their terms;

(11) To prescribe such rules and regulations as may be necessary or expedient for the effective administration of such agricultural plans, and to assure the correctness of and make possible the verification of such reports as may be required by the terms of such agricultural plans; and

(12) To submit to the Governor of the Territory of Hawaii an annual report for each year covering the administration and operation of such program.

[**Sec. 843.**] Section 4. [**Same.**] The Board shall perform its duties and functions as such agency under this act separately and distinctly from the performance of its duties and functions under any other act or in any other capacity, except that the Board may utilize the services and the assistance of the personnel and faculties normally used by it in the performance of such other functions if it finds that the utilization of such services and assistance is necessary to, or is calculated to assist substantially in, the effective administration of this act and that such personnel or faculties may be utilized without interference with the effective performance of such other duties and functions.

Section 5. This Act shall take effect upon its approval.

(Approved May 17, 1937.) **H.B. 423, Act 226.**

Title VI. PUBLIC HEALTH.

CHAPTER 24. BOARD OF HEALTH.

[**A-32**] An Act to Amend Chapter 24 of the Revised Laws of Hawaii 1935, by Amending Sections 900, 902, 904 and 913 Thereof and by Adding Thereto New Sections to be Numbered Sections 900-A, 900-B, 900-C, 900-D, 900-E, 900-F and 900-G, and to Amend Sections 133 and 4634 of said Revised Laws, Relating to the Territorial Board of Health, and to Make an Appropriation for said Board.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 24 of the Revised Laws of Hawaii 1935, is hereby amended by amending section 900 thereof to read as follows:

"Sec. 900. Board of Health: members; qualifications; tenure; president. There shall be a board of health for the Territory (hereinafter referred to as the board) consisting of seven mem-

bers, of whom six shall be appointive members and one shall be the attorney general of the Territory, ex officio. Not more than three of the appointive members shall, at the time of appointment, belong to the same political party and two of the appointive members shall be physicians who are licensed to practice as doctors of medicine in the Territory and who have been so licensed for at least three years prior to their appointment. The appointive members of the board shall be appointed and may be removed by the governor in the manner prescribed by section 80 of the Organic Act. Two of the members shall be appointed for a term of two years, two shall be appointed for a term of three years and two shall be appointed for a term of four years. Upon the expiration of the terms of the members, their respective successors shall be respectively appointed for a term of four years. In case of a vacancy occurring through any cause other than the expiration of the term of office, such vacancy shall be filled by the appointment of a succeeding member for the remainder of the term for which his predecessor was appointed. No member of the board, other than the attorney general, shall be a salaried officer or employee of the Territory or any political subdivision thereof. Any member becoming a candidate for election to public office or who shall engage in partisan political activities other than the exercise of his franchise to vote ipso facto vacates his office as such member. The members of the board as such shall serve without remuneration but shall be reimbursed for their reasonable traveling and other expenses incurred in the discharge of their duties." [P. C. 1869, c. 59, ss. 1, 31; am. L. 1876, c. 11, s. 2; am. L. 1893-4, c. 18, s. 1; am. L. 1903, c. 57, s. 1; am. L. 1911, c. 132, s. 1; am. L. 1925, c. 34, s. 1; R. L. 1935, s. 900; am. L. 1937, c. 122, s. 1.]

Section 2. Chapter 24 of said Revised Laws is hereby further amended by adding thereto the following sections:

"Sec. 900-A. President of the board. The governor shall designate one of the appointive members of the board as president. The president shall be the presiding officer of the board. During the temporary absence from the Territory or the illness of the president, the governor shall designate one of the members of the board as acting president.

"Sec. 900-B. Quorum. Five members of the board shall constitute a quorum for the exercise of the powers or authority conferred upon it but the concurrence of at least four members shall be necessary to make any action of the board valid.

"Sec. 900-C. General office meetings. The board shall maintain its general office in Honolulu and such other offices throughout the Territory as it, in its discretion may deem to be necessary

for the proper performance of its functions. The board shall hold at least one regular meeting in each calendar month in Honolulu. The board in its discretion shall hold such other meetings at its general office in Honolulu and at other places from time to time where the convenience of the members so requires or where necessary for the proper performance of its functions. All meetings of the board shall be public.

"Sec. 900-D. Territorial Commissioner of Public Health. The board shall appoint and may remove at pleasure an executive officer who shall be designated the territorial commissioner of public health and who shall devote his full time to the duties of his office. The territorial commissioner of public health shall be qualified as follows: He shall be a duly licensed doctor of medicine of the Territory of Hawaii with the additional qualifications as listed below, or he shall be a medical doctor who shall have graduated as a doctor of public health from a recognized school of public health, both course and school being subject to the approval of the board of health. The appointee to the position of commissioner of public health shall have had in addition, no less than five years of practical experience in general public health activities, including the administration of such activities. He shall have a technical or practical knowledge of sanitary science. His experience, as aforesaid, shall have been acquired in whole or in part by active public health work during the past ten years, and in any event it shall have been the equivalent, in the opinion of the board, to that obtained through actual full time service in an organized public health department of a community of not less than 100,000 population, or such experience shall have been acquired as a regular commissioned medical officer of the United States Public Health Service, of the United States Army, or of the United States Navy, through active service for not less than eight years, during no less than five of which said commissioned medical officer as aforesaid shall, in the opinion of the board, have had a practical experience in general public health activities equivalent to full time service in an organized public health department as aforesaid. Provided, that the board may, in its discretion, accept in lieu of the foregoing requirements the certificate of the Surgeon-General of the United States Public Health Service that an applicant because of the duties performed by him to the knowledge of said Surgeon-General is suitably equipped by experience and training to act as a commissioner of public health of the Territory of Hawaii. (The board may prescribe for the qualifications of the territorial commissioner of public health in addition to those prescribed herein.) Subject to the rules and regulations prescribed by the board and under its supervision, he shall have control, management and direction of all officers and

employees serving under him and shall have full power and authority of action, including the appointment, suspension or dismissal of such officers and employees, subject to ratification by the board at regular or special meetings; provided, however, that all appointments, suspensions or dismissals of officers and employees shall be made pursuant to sections 907 and 913 inclusive, or any Civil Service system that may supersede said sections. The commissioner shall have full power, under the supervision of the board, to administer the regulations which may be prescribed from time to time by the board and the powers and functions which, under the laws of the Territory, are delegated to the board.

“The territorial commissioner of public health shall receive such compensation for his services as shall be provided by the legislature.

“Sec. 900-E. Secretary of the board. The board shall appoint a secretary who shall receive such compensation for his services as shall be provided by the legislature. He shall perform such duties as may be prescribed by law or by the board or by the territorial commissioner of public health.

“Sec. 900-F. General powers of the board. The board shall have general charge, oversight and care of the health and lives of the people of the Territory. It shall have authority in matters of quarantine and other health matters and may declare and enforce quarantine when none exists and modify or release quarantine when it is established. It shall be the duty of all county and city and county health authorities, sheriffs and police officers and all other officers and employees of the Territory, and every county or city and county thereof, to enforce the rules and regulations of the board. All such powers in health matters as have been or may be conferred upon any county or city and county shall be concurrent with those of the board. It shall make, through its president, an annual report to the governor, showing in detail all its expenditures and transactions, and such other information regarding the public health as it may deem of special interest.

“The board through its secretary shall keep a regular record of its proceedings. The board shall also, during the prevalence of any severe pestilence or epidemic, publish a weekly report of the public health.

“Sec. 900-G. Political activities prohibited. No officer or employee appointed under or by authority of the board shall, aside from exercising the right to vote, support, advocate or aid in the election or defeat of any candidate for public office. Any such

officer or employee violating the provision of this section shall be summarily dismissed from his office or employment."

Section 3. Chapter 24 of said Revised Laws is hereby further amended by amending section 902 thereof to read as follows:

"Sec. 902. Agents. There shall be appointed by the territorial commissioner of public health, subject to confirmation by the board, a suitable number of agents in such localities as may be necessary, whose duty it shall be to carry into effect all regulations for the public health; and such agents shall be held accountable for moneys received and disbursed by them on account of public health, and also for the manner in which they may discharge their several duties." [P. C. 1869, c. 59, s. 3; am. L. 1925, c. 34, s. 2; R. L. 1935, s. 902; am. L. 1937, c. 122, s. 3.]

Section 4. Chapter 24 of said Revised Laws is hereby further amended by amending section 904 to read as follows:

"Sec. 904. Seal, rules and regulations. The board may adopt a seal and may adopt such rules and regulations as it may consider expedient for the conduct of its business. The board may amend or revise such rules and regulations from time to time. The board, with the approval of the governor, may make such regulations respecting nuisances, foul or noxious odors, gases or vapors, water in which mosquito larvae breed, sources of filth, causes of sickness or disease, within the respective districts of the Territory, and on board of any vessel; as also respecting adulteration and misbranding of food or drugs; location, air space, ventilation, sanitation drainage and sewage disposal of buildings, courts, areas and alleys; privy vaults and cesspools; fish and fishing; interments and dead bodies; cemeteries and burying grounds; laundries, stables, bakeries, poi shops, abattoirs, fish, meat or vegetable stores or markets, hotels, lodging houses, tenements, hospitals, children's boarding homes, maternity homes, convalescent homes, laboratories, or any place or building where noisome or noxious trades or manufactures are carried on; or intended to be carried on; milk, poisonous drugs; pig and duck ranches; as it shall deem necessary for the public health and safety." [P. C. 1869, c. 59, ss. 4-6; am. L. 1905, c. 42, s. 1; am. L. 1911, c. 132, s. 2; am. L. 1913, c. 63, s. 1; am. L. 1919, c. 235, s. 1; R. L. 1935, s. 904; am. L. 1937, c. 122, s. 4.]

[Sec. 904 also amended by following Act.]

Section 5. Chapter 24 of said Revised Laws is hereby further amended by amending section 913 to read as follows:

"Sec. 913. Exceptions. Sections 907 to 912, both inclusive, shall not apply to the members of the board, territorial commissioner of public health, secretary, the bacteriologist and pathol-

ogist of the Territory, the physicians in charge of and treating tuberculosis, and the government physicians; provided, however, that nothing in this chapter shall be construed to prohibit the board from employing any help that may be found necessary in times of epidemic." [L. 1913, c. 119, s. 7; am. imp. L. 1931, c. 139; R. L. 1935, s. 913; am. L. 1937, c. 122, s. 5.]

Section 6. Section 133 of said Revised Laws is hereby amended to read as follows:

"Sec. 133. Of heads of departments. The attorney general, treasurer, commissioner of public lands, superintendent of public works, superintendent of public instruction, auditor, deputy auditor, surveyor, high sheriff and territorial commissioner of public health, before entering upon the duties of their respective offices shall each be required to furnish a bond to the Territory in the amount required by law, and conditioned for the faithful performance of all of their official duties. Except as provided in section 160, there shall be at least two sureties on each of such bonds, who shall be examined on oath by the governor as to their qualifications and sufficiency. No bond shall be approved unless each of the sureties thereon, if individuals, is a resident and freeholder within the Territory, and unless it conforms to the provisions of section 160." [L. 1905, c. 100, s. 1; am. L. 1915, c. 95, s. 1; am. imp. L. 1917, c. 78, s. 1; (30 H. 658, 663); R. L. 1935, s. 133; am. L. 1937, c. 122, s. 6.]

Section 7. Section 4634 of said Revised Laws is hereby amended to read as follows:

"Sec. 4634. Agent to grant; fee. The board of health shall appoint, and at its pleasure remove, one or more suitable persons as agents in each judicial circuit, whose special duty shall be to grant marriage licenses, pursuant to the provisions of this chapter. Upon the filing of an application for a license to marry, the agent shall collect from the parties making the application the sum of two dollars. Of this amount, the agent shall remit to the treasurer of the Territory, as a general realization, the sum of one dollar, and shall retain, as and for his compensation, the remaining one dollar. Every agent is authorized to administer the oaths required to be taken by this chapter." [P. C. 1869, c. 55, s. 14; am. L. 1905, c. 11, s. 1; am. L. 1917, c. 189, s. 1; am. L. 1921, c. 121, s. 1; am. L. 1929, c. 104, s. 2; am. L. 1932, 2d, c. 34, s. 1; R. L. 1935, s. 4634; am. L. 1937, c. 122, s. 7.]

[**Sec. 4634** also amended by Act 36, infra, page 155.]

Section 8. The present members of the board of health shall continue in office until their present terms of appointment expire,

at which time their respective terms of office shall terminate. Any vacancy occurring on the board, from any cause, prior to such date, shall be filled for a term expiring on such date. On expiration of the present terms of office, the appointive members of the board shall be appointed pursuant to the provisions of sentence 4 of section 1 of this Act.

Section 9. All laws, or parts of laws, inconsistent with the provisions hereof are to the extent of such inconsistency, hereby repealed.

Section 10. There is hereby appropriated out of any moneys not otherwise appropriated, the sum of Two Thousand Dollars (\$2,000.00), or so much thereof as may be necessary for the biennium July 1, 1937, to July 1, 1939. This money shall be used by the territorial board of health to carry out the provisions of this Act. This money shall be put in a special fund by the territorial treasurer and shall be subject to withdrawal by the territorial board of health on vouchers signed by the president and secretary of said board. All funds heretofore appropriated for the benefit of the territorial board of health are hereby transferred to said special fund as aforesaid, and shall be subject to withdrawal upon the same conditions.

Section 11. This Act shall take effect upon its approval.

(Approved May 1, 1937.) **H.B. 251, Act 122.**

[A-33] An Act to Amend Section 904 of the Revised Laws of Hawaii 1935, Relating to the Regulations of the Board of Health of the Territory of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 904 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 904. Regulations. The board, with the approval of the governor, may make such regulations respecting nuisances, foul or noxious odors, gases or vapors, water in which mosquito larvae breed, sources of filth, causes of sickness or disease within the respective districts of the Territory, and on board of any vessel; as also respecting adulteration and misbranding of food or drugs; location, air space, ventilation, sanitation, drainage and sewage disposal of buildings, courts, areas and alleys; privy vaults and cesspools; fish and fishing, interments and dead bodies; disinterments of dead human bodies, including the exposing, disturbing or removing of such bodies from their place

of burial or the opening, removing or disturbing after due interment of any receptacle, coffin or container holding human remains or a dead human body or a part thereof and the issuance and terms of permits for the aforesaid disinterments of dead human bodies; cemeteries and burying grounds; laundries, stables, bakeries, poi shops, abatoirs, fish, meat or vegetable stores or markets, hotels, lodging houses, tenements, or any place or building where noisome or noxious trades or manufactures are carried on; or intended to be carried on; milk, poisonous drugs; pig and duck ranches; as it shall deem necessary for the public health and safety." [P. C. 1869, c. 59, ss. 4-6; am. L. 1905, c. 42, s. 1; am. L. 1911, c. 132, s. 2; am. L. 1913, c. 63, s. 1; am. L. 1919, c. 235, s. 1; R. L. 1935, s. 904; am. L. 1937, c. 197, s. 1.]

Section 2. This Act shall take effect on July 1, 1937.

(Approved May 10, 1937.) **S.B. 257, Act 197.**

CHAPTER 28. DENTISTRY.

[A-34] An Act to Amend Chapter 28 of the Revised Laws of Hawaii 1935, Relating to the Practice of Dentistry.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 28 of the Revised Laws of Hawaii 1935, as amended, is hereby further amended by amending section 980 thereof to read as follows:

"Sec. 980. Dentistry defined. A person practices dentistry, within the meaning of this chapter, who represents himself as being able to diagnose, treat, remove stains and concretions from teeth, operate, or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the human teeth, alveolar process, gums, or jaw, and who offers or undertakes by any means or methods to diagnose, treat, remove stains or concretions from teeth, operate, or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the same, or to take impressions of the teeth or jaws; or who owns, maintains, or operates an office for the practice of dentistry; or who engages in any of the practices included in the curricula of recognized and approved dental schools or colleges. The fact that a person uses any dental degree, or designation, or any card, device, directory, poster, sign, or other media whereby he represents himself to be a dentist, shall be prima facie evidence that such person is engaged in the practice of dentistry. The following practices, acts, and operations, however, are exempt from the operation of this chapter.

(a) The rendering of dental relief in emergency cases in the practice of his profession by a physician or surgeon, licensed as such and registered under the laws of this Territory, unless he undertakes to reproduce or reproduces lost parts of the human teeth in the mouth or to restore or replace in the human mouth lost or missing teeth;

(b) The practice of dentistry in the discharge of their official duties by dentists in the United States Army, the United States Navy, the United States Public Health Service, or the United States Veterans Bureau;

(c) The practice of dentistry by licensed dentists of other states or countries at meetings of the dental society of Hawaii or component parts thereof, alumni meetings of dental colleges, or any other like dental organizations, while appearing as clinicians;

(d) The use of roentgen and other rays for making radiograms or similar records of dental or oral tissues;

(e) The making of artificial restorations, substitutes, appliances, or materials for the correction of disease, loss, deformity, malposition, dislocation, fracture, injury to the jaws, teeth, lips, gums, cheeks, palate, or associated tissues, or parts, upon orders, prescriptions, casts, models, or from impressions furnished by a licensed and registered dentist." [L. 1903, c. 40, s. 1; am. L. 1917, c. 136, s. 1; R. L. 1935, s. 980; am. L. 1937, c. 220, s. 1.]

Section 2. Said chapter is hereby further amended by amending section 983 thereof to read as follows:

"Sec. 983. Fraudulent advertising; penalty. It shall be unlawful for any person to publish, directly or indirectly, or circulate, any fraudulent, false or misleading statements as to the skill or method of practice of any person or operator; or in any way to advertise to practice dentistry without causing pain; or to advertise in any manner with a view of deceiving the public, or in any way that will tend to deceive or defraud the public; or to claim superiority over neighboring dental practitioners; or to publish reports of cases or certificates of same in any public advertising media; or to advertise as using any anesthetic, drug, formula, material, medicine, method or system which is either falsely advertised or misnamed; or to advertise free dental services or examinations as an inducement to secure dental patronage; or to advertise any amount as a price or fee for the service or services of any person engaged as principal or agent in the practice of dentistry, or for any material or materials whatsoever used or to be used; or to employ 'cappers' or 'steerers' to obtain patronage or to exhibit or use specimens of dental work, posters, or any other media calling attention of the public to any person engaged in the practice of dentistry; or to give a public demonstration of skill or methods or practicing den-

tistry upon or along the streets or highways, or any place other than his office where he is known to be regularly engaged in the practice of his profession; and any person committing an offense against any of the provisions of this section shall, upon conviction, be subjected to such penalties as are provided in this chapter, provided, that any person licensed under this chapter may announce, by way of a professional card, only his name, title, degree, office location, office hours, phone number, and residence address and phone number, and if he limits his practice to a specialty he may announce it, but such card shall not be greater in size than three and one-half ($3\frac{1}{2}$) inches by two (2) inches, and such information may be inserted in public print when not more than one column in width and two (2) inches in depth; or announce his change of place of business, absence from, or return to business in the same manner; or issue appointment cards to his patients, when the information thereon is limited to matter pertaining to the time and place of appointment and that permitted on the professional card; or display the name of the licensee, on the premises where engaged in the profession, upon the windows thereof and by a door plate or name or office directory when the information is limited to that of the professional card." [L. 1917, c. 136, s. 4; R. L. 1935, s. 983; am. L. 1937, c. 220, s. 2.]

Section 3. Said chapter is hereby further amended by amending **section 984** thereof, (a) by substituting for the word "three" in the last line of the first sentence thereof the word "five" and (b) by changing the "period" at the end of said sentence to a "comma", and adding the following:

"and none of whom shall be in any way connected with, or interested financially in, any dental supply company."

Section 4. Said chapter is hereby further amended by amending the first paragraph of **section 988** thereof to read as follows:

"Any person of the age of twenty-one years or more, who is a citizen of the United States, and has been a resident of the Territory of Hawaii for at least one year, and who is of good moral character, shall be eligible to take an examination before the board of examiners upon complying with the following requirements:"

Section 5. Said chapter is hereby further amended by amending **section 991** thereof to read as follows:

"Sec. 991. No corporation to practice dentistry. No corporation shall practice dentistry or engage therein, or hold itself out as being entitled to practice dentistry, or furnish dental services or dentists, or advertise under or assume the title of dentist or dental surgeon or equivalent title, or furnish dental advice for any compensation, or advertise or hold itself out with any other person or

alone, that it has or owns a dental office or can furnish dental service, dentists or dental surgeons, or solicit through itself, or its agents, officers, employees, directors or trustees, dental patronage for any dentist or dental surgeon employed by any corporation; provided, that nothing contained in this section shall prohibit a corporation from employing a dentist or dentists to render free dental services to its employees, nor shall it apply to corporations or associations in which the dental services were originated and are being conducted upon a purely charitable basis for the worthy poor, nor shall it apply to corporations or associations furnishing information or clerical services which can be furnished by persons not licensed to practice dentistry, to any person lawfully engaged in the practice of dentistry, when such dentist assumes full responsibility for such information and services. Any corporation violating the provisions of this section is guilty of a misdemeanor, and shall be fined not less than two hundred dollars (\$200.00) or more than five hundred dollars (\$500.00) for each offense, and each day's violation shall be considered a separate offense.

Every association of persons engaged in the practice of dentistry under the name of an association or other title, shall cause to be displayed and kept in a conspicuous place at the entrance to its place of business the names of each and every person employed by the association in the practice of dentistry; and every person so employed by any association shall cause his name to be so displayed. Any person employed by such association whose name shall not be displayed as above provided shall be guilty of a failure to comply with the provisions of this chapter, and upon conviction thereof, shall be punished as in this chapter provided; and the association, and the persons comprising the same, shall, for failure to display the aforesaid names, be guilty of a failure to comply with the provisions of this chapter, and upon conviction thereof, shall be punished as in this chapter provided." [L. 1903, c. 40, s. 11; R. L. 1935, s. 991; am. L. 1937, c. 220, s. 5.]

Section 6. Said chapter is hereby further amended by deleting from **section 992** thereof the word "company" wherever the same appears therein.

Section 7. Any provision of this Act to the contrary notwithstanding, any person, not a citizen of the United States, who, on the effective date of this Act, was a bona fide resident of the Territory of Hawaii and who, on said date, was attending a school or college of dentistry for purposes of studying dentistry therein, and who after said effective date shall not have adopted a permanent legal domicile in any place other than the Territory of Hawaii, and who, on or after said date, shall be or become otherwise qualified to take the examination prescribed by said chapter 28 as

amended by this Act, shall be eligible to take such examination and shall not be disqualified by reason of such non-citizenship.

Section 8. Said chapter is hereby further amended by adding thereto a new section, to be numbered 992-A, and reading as follows:

"Sec. 992-A. Grounds for refusal or revocation of license. The board of examiners shall refuse to issue a license where the applicant fails to meet all the requirements imposed by this chapter upon applicants, or has previously violated any of the provisions of this chapter, and may revoke any license issued for any of the following reasons:

1. Fraud in procuring license;
2. Habitual intoxication or addiction to the use of drugs;
3. Wilful or repeated violations of the rules of the department of public health;
4. Acceptance of a fee for service as a witness, without the knowledge of the court, in addition to the fee allowed by the court;
5. Division of fees or agreeing to split or divide the fees received for dental services with any person for bringing or referring a patient;
6. Assisting in the care or treatment of a patient, without the knowledge of said patient or his legal representative;
7. Employing, procuring, inducing, aiding or abetting a person not licensed or registered as a dentist to engage in the practice of dentistry;
8. Making any misrepresentations or false promises, directly or indirectly, to influence, persuade, or induce dental patronage;
9. Professional connection or association with, or lending his name to another for, the illegal practice of dentistry by another, or professional connection or association with any person, firm, or corporation holding himself, themselves, or itself out in any manner contrary to this chapter;
10. By false or fraudulent representations, obtaining or seeking to obtain practice or money or any other thing of value;
11. Practicing, either in the Territory or elsewhere, under a name other than his own;
12. Any other improper, unprofessional, or dishonorable conduct in the practice of dentistry;
13. Conviction of a felony.

The board, when written charges have been filed with it, shall fix a time and place for the examination of a person so charged and shall give written notice to the said person of the time and place and furnish him with a copy of the charges, at least ten days prior to the date fixed for the hearing.

Section 9. This Act shall take effect upon its approval.

(Approved May 15, 1937.) S.B. 272, Act 220.

**CHAPTER 36. LEPERS;
 HOSPITALS AND SETTLEMENT.**

[A-35] An Act to Amend Chapter 36 of the Revised Laws of Hawaii 1935, by Adding Thereto a New Section Numbered 1161-A, Relating to Labor of Patients at Kalihi Receiving Hospital.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 36 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section, to be numbered 1161-A, and to read as follows:

"Sec. 1161-A. Labor of patients at Kalihi Hospital. All outside labor, including yard work, at Kalihi Receiving Hospital, may be performed by patients at said hospital, as far as such patient-labor is available, and all such patient-laborers shall receive such reasonable compensation for their services as may be set by the board or its duly authorized agents."

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 142, Act 108.**

CHAPTER 43. NATUREOPATHY.

[A-36] An Act to Amend Chapter 43 of the Revised Laws of Hawaii 1935, by Amending Sections 1301, 1302 and 1303 Thereof, and by Adding Thereto New Sections to Be Numbered 1302 (a), 1302 (b) and 1302 (c), Relating to the Territorial Board of Examiners in Natureopathy (Naturopathy).

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 43 of the Revised Laws of Hawaii 1935 is hereby amended, by amending section 1301 thereof, to read as follows:

"Sec. 1301. Application for examination; fee. Any person desiring to practice natureopathy (naturopathy) shall apply in writing to the territorial board of examiners in natureopathy (naturopathy), to be appointed and constituted as in this chapter pro-

vided, upon a blank form prepared and furnished by said board and shall include in such application such facts concerning the applicant as said board shall require. Each application shall be filed by the applicant and sworn to before an officer authorized to administer oaths. At the time of said application each applicant shall pay an examination fee of ten dollars (\$10.00) to the board of health which shall not be refunded if such applicant shall fail to pass the examination. Except as otherwise provided by law, no person shall be licensed to practice natureopathy (naturopathy) except upon the written certificate of the territorial board of examiners in natureopathy (naturopathy), to be appointed and constituted as in this chapter provided, setting forth that the applicant named therein has been duly examined and has passed such examination." [L. 1925, c. 77, pt. of s. 1; R. L. 1935, s. 1301; am. L. 1937, c. 22], s. 1.]

Section 2. Chapter 43 of the Revised Laws of Hawaii 1935 is hereby further amended, by amending section 1302 thereof, to read as follows:

"Sec. 1302. Qualifications of applicants. Each applicant shall be a graduate of a high school. Each applicant shall, in addition, be a graduate of a school, university, or college of natureopathy (naturopathy) which requires a course of resident instruction of at least four years of nine months each of actual attendance, and includes in its course of study the subjects hereinafter listed for the minimum hours hereinafter listed:

Subject	Hours
Anatomy	650
Histology and embryology.....	130
Chemistry and toxicology.....	250
Physiology	300
Bacteriology	130
Hygiene and sanitation.....	130
Pathology	350
Diagnosis or analysis.....	600
Natureopathic (naturopathic) theory and practice.....	800
Obstetrics and gynecology.....	260
Jurisprudence	50
Clinical practice	400
Biochemistry and dietetics.....	240
Therapeutics	130
	<hr/>
	4,520

Each applicant shall have attended at such school, university, or college for at least ninety per cent of the hours required." [L. 1925, c. 77, pt. of s. 1; R. L. 1935, s. 1302; am. L. 1935, c. 221, s. 2.]

Section 3. Chapter 43 of the Revised Laws of Hawaii 1935 is hereby further amended by adding thereto a new section, to be numbered section 1302 (a), and to read as follows:

"Sec. 1302 (a). Territorial board of examiners in natureopathy (naturopathy). As soon as may be after this Act shall take effect, the governor shall appoint in the manner prescribed by section 80 of the Organic Act, the territorial board of examiners in natureopathy (naturopathy), consisting of three members who shall be appointed for a term of four years from the dates of their respective appointments. Upon the expiration of the term of any member, the governor shall fill the vacancy by appointment for the term of four years. Upon the death, resignation or removal of any member, the governor shall fill the vacancy by appointment for the unexpired portion of the term, if practicable, within thirty days after such vacancy occurs. Each member shall serve until his successor is appointed and qualified. All members of said board shall, before appointment, have been licensed to practice natureopathy (naturopathy) in the Territory of Hawaii under the laws thereof in force at the date of the issuance of said license."

Section 4. Chapter 43 of the Revised Laws of Hawaii 1935 is hereby further amended by adding thereto a new section, to be numbered section 1302 (b), and to read as follows:

"Sec. 1302 (b). Organization of the board. The territorial board of examiners in natureopathy (naturopathy) shall meet and organize as soon as possible after appointment. Said board shall have the power to elect a president, a vice-president, and a secretary who shall each serve one year or until a successor is elected. Said board shall have authority to make such rules as it deems expedient to carry the provisions of this chapter into effect. Two members of said board shall constitute a quorum for the transaction of business. Said board shall serve without pay, provided, however, that the expenses of conducting examinations shall be paid out of the office expenses of the board of health upon vouchers signed by a majority of the territorial board of examiners in natureopathy (naturopathy)."

Section 5. Chapter 43 of the Revised Laws of Hawaii 1935 is hereby further amended by adding thereto a new section, to be numbered section 1302 (c), and to read as follows:

"Sec. 1302 (c). Examinations. The territorial board of examiners in natureopathy (naturopathy) shall conduct examinations at such times and places as it deems best, in the following subjects:

Anatomy
Histology and embryology
Chemistry and toxicology
Physiology
Bacteriology
Hygiene and sanitation
Pathology
Diagnosis or analysis including clinical, physical, x-ray, symptomatology, dermatology, mental diseases
Natureopathic (naturopathic) theory and practice
Obstetrics and gynecology
Jurisprudence
Clinical practice
Biochemistry
Therapeutics, including physiotherapy, hydrotherapy, electrotherapy, heliotherapy, phytotherapy, orthopaedics,

and such other subjects as the board may require. The examination shall be conducted in writing, but it may be supplemented by oral examinations, and by demonstrations or other practical tests as the board may require. If the applicant receives a general average of 75% and does not fall below 60% in more than two branches of the examination, he shall be considered as having passed the examination. The territorial board of examiners in natureopathy (naturopathy) shall certify in writing to the territorial board of health the names of applicants who have passed such examination."

Section 6. Chapter 43 of the Revised Laws of Hawaii 1935 is hereby further amended, by amending section 1303 thereof, to read as follows:

"Sec. 1303. Licenses. Licenses to practice natureopathy (naturopathy) shall be issued by the board of health in such form as the board of health shall determine to those who qualify according to the provisions of this chapter and pay a license fee of fifteen dollars (\$15.00) to the board of health. Natureopathic (naturopathic) physicians licensed under this chapter shall observe and be subject to all territorial and municipal regulations relative to reporting births and deaths and all matters pertaining to the public health with equal rights and obligations as physicians, surgeons and practitioners of other schools of medicine." [L. 1925, c. 77, pt. of s. 1; R. L. 1935, s. 1303; am. L. 1937, c. 221, s. 6.]

Section 7. This Act shall not be construed as applying to persons who, on the effective date thereof, are lawfully licensed to practice natureopathy (naturopathy) in the Territory of Hawaii.

Section 8. This Act shall take effect upon approval.

(Approved May 15, 1937.) S.B. 336, Act 221.

CHAPTER 50A. RATS, SUPPRESSION OF.

[A-37] An Act to Provide a Revolving Fund for the Board of Health to Supply Poison Rat Bait and Other Remedies for the Control and Suppression of Rats in the Territory of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 1444.] Section 1. [**Rat abatement revolving fund.**] To provide a working capital for the Board of Health of the Territory of Hawaii with which to purchase materials and to pay the cost of manufacturing said materials into poison bait for the control and suppression of rats in the Territory of Hawaii and for the purchase of traps and other remedies, the sum of fifteen thousand dollars (\$15,000.00) is hereby appropriated from the general revenues of the Territory, to be immediately deposited with the treasury as a continuing deposit to be known as the "Rat Abatement Revolving Fund".

[Sec. 1445.] Section 2. [**Expenditures from.**] Withdrawals may be made from time to time from the Rat Abatement Revolving Fund by the Board of Health for the purchase of materials as needed for the manufacture of bait, cost of manufacture and for the purchase of traps and other remedies for the control and suppression of rat infestation in this Territory, to be sold to the owners of rat infested areas.

All withdrawals shall be upon warrants of the Auditor of the Territory of Hawaii on vouchers, properly approved by the President of the Board of Health.

[Sec. 1446.] Section 3. [**Supplies to be furnished.**] The said board shall upon the recommendation of the District Agent of the Bureau of Biological Survey, United States Department of Agriculture supply to the owners of such infested areas such bait and remedies at the actual cost thereof.

[Sec. 1447.] Section 4. [**Disposition of receipts.**] All receipts on account of withdrawals from the Rat Abatement Revolving Fund, authorized by Section 2 of this Act, shall be deposited, with the Treasurer of the Territory of Hawaii, to the credit of the Rat Abatement Revolving Fund.

Section 5. This Act shall take effect upon its approval.

(Approved April 2, 1937.) H.B. 259, Act 8.

CHAPTER 51. UNDERTAKERS, EMBALMERS, FUNERAL DIRECTORS.

[A-38] An Act Empowering the Board of Health of the Territory of Hawaii to make Rules and Regulations Concerning the Qualifications of Undertakers, Funeral Directors, Morticians, Embalmers and Apprentices and the Practice of Embalming and the Business of an Undertaker and Providing for the Issuance, in Certain Cases, of Embalmer Licenses Without Examination and Amending Chapter 51 of the Revised Laws of Hawaii 1935, Relating to Undertakers, Embalmers and Funeral Directors, by Adding Thereto Two New Sections to Be Numbered Sections 1450-A and 1450-B.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 51 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be numbered section 1450-A and to read as follows:

“Sec. 1450-A. Educational qualifications; rules and regulations. The board of health of the Territory of Hawaii shall have power to adopt and promulgate such rules and regulations prescribing the educational qualifications, or their equivalent, required of an applicant to practice undertaking or embalming, or to register as an apprentice under a licensed embalmer as it shall deem necessary for the public health, safety or welfare. Such qualifications shall be in addition to those prescribed by sections 1450 and 1452 of this chapter. No one shall be permitted to take the examination for or receive a license as an embalmer unless he possesses the qualifications so prescribed.

The board shall have power to prescribe such rules and regulations as it shall deem reasonable and proper to define the terms undertaker, funeral director, mortician or embalmer to signify a person engaged in or conducting or a person holding himself out as engaged in (a) preparing for the burial or disposal or directing or supervising the burial or disposal of dead human bodies, (b) maintaining a funeral establishment, funeral parlor or mortuary for the preparation for disposition or for the care of dead human bodies, or (c) who shall, in connection with his name or establishment, use the word “undertaker”, “funeral director”, “embalmer” or “mortician” or any other title implying that he is engaged in the business of an undertaker, funeral director or embalmer or maintains a funeral establishment.

The board shall have power to prescribe such rules and regulations as it shall deem reasonable and proper relating to the practice of embalming, to the business of an undertaker or to the sani-

tary condition of places where such business or practice is conducted.”

Section 2. Chapter 51 of the Revised Laws of Hawaii 1935 is hereby further amended by adding thereto a new section to be numbered 1450-B and to read as follows:

“Sec. 1450-B. Reciprocal license. The board of health of the Territory of Hawaii may receive an application to practice embalming in the Territory, and may waive the written examination therefor, upon a proper showing of sufficient qualifications by the applicant, as herein provided.

The application shall be made upon such form as shall be adopted and furnished by the board of health. Each such application shall be accompanied by a statement that the applicant holds a National Conference Diploma issued by The Conference of Embalmers Examining Boards of the United States, Inc., and the diploma shall be offered as proof of the applicant's qualifications.

After receiving such application, the board of health shall obtain from the said Conference, a statement giving the name of graded school from which applicant graduated, the date of such graduation, name of the state or territory in which the applicant was given the Conference examination, the date of such examination, the mark given in the examination and any other information it may have concerning the applicant.

If the statements shown in the application and the Conference Statement are satisfactory to the board, the applicant may nevertheless be given an oral examination in the discretion of the board. The board shall then determine whether the applicant is eligible for and qualified to receive a license. If from the said diploma, the information furnished by the said Conference, if any, and the oral examination, if any, the board shall determine that the applicant is eligible and qualified to practice embalming it may issue a license to the applicant without requiring the applicant to take or pass a written examination. If a reciprocal license is granted, it shall have the same force as a regular embalmer's license and be subject to the same regulations. The fee for such license or any renewal thereof, shall be the same as for the regular license or renewal issued by said board. The applicant shall prove that he is of good moral character and file with his application the affidavit of three residents certifying to the same.”

Section 3. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **S.B. 256, Act 174.**

CHAPTER 53. VITAL STATISTICS: BIRTHS, DEATHS, MARRIAGES.

[A-39] An Act Creating a Bureau of Vital Statistics, Providing for Its Administration and the Qualifications, Powers and Duties of Its Director and to Amend Chapter 53 of the Revised Laws of Hawaii 1935, by Adding Thereto a New Section to be Numbered Section 1470-A.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 53 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be numbered 1470-A and to read as follows:

"Sec. 1470-A. Bureau of vital statistics; director and assistants. There shall be a bureau in and maintained by the board of health called the bureau of vital statistics. The director of the bureau of vital statistics shall be the registrar general and the office of the registrar general shall be the office of the bureau and it shall be equipped with a fire-proof vault and filing cases for the permanent and safe preservation of all records provided for and made under this chapter. All official records made and returned under this chapter shall be filed and preserved at the office of the bureau by the said director.

The director of the bureau shall have general supervision over the bureau. He shall be a competent statistician and shall not engage in any other occupation or business. It shall be his duty to prepare all forms and blanks and the necessary detailed instructions for uniformly carrying out the provisions and objects of this chapter and he shall procure the full and prompt registration of all births, deaths or marriages as provided by this chapter. He shall exercise such other powers and perform such other duties as may from time to time be delegated to or required of him by the board.

Statistics in respect to births, marriages, deaths, burials, cremations and such other comparative statistics and information as may be deemed of value to scientists, the medical profession, the general public and an aid in the maintenance of good health conditions shall be compiled by the registrar general and may be published by the board in such manner and at such times as the board may deem proper.

The board shall appoint a deputy statistical clerk, who shall be a competent statistician, and shall perform such acts and duties as shall from time to time be required by the director of the bureau or the board. The compensation of the deputy statistical clerk shall be fixed by the board.

The board may appoint and fix the compensation of such other clerical assistants as may be necessary to carry out the provisions of this chapter and to preserve old records made and returned under this chapter."

Section 2. This Act shall take effect on July 1, 1937.

(Approved April 28, 1937.) S.B. 267, Act 86.

REGISTRARS AND RECORDS.

[A-40] An Act to Amend Section 1482 of the Revised Laws of Hawaii 1935, Relating to the Furnishing of Certified Copies, Certificates or Transcripts of Records of Certain Births, Deaths or Marriages and the Fees or the Waiver of Fees Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1482 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 1482. Certified copies, evidence; fee. The registrar general, subject to the provisions of section 1487, as amended, of this chapter, shall furnish to any person applying for the same a certified copy of the record of any birth, death or marriage contained in any of the records kept under or by virtue of this chapter; such certified copy shall be competent evidence in any court of the fact therein contained, for which certified copy the sum of one dollar shall be charged and paid and accounted for to the treasury of the Territory; provided, however, that the registrar general shall furnish, free of charge, a certified copy of any of said records to any municipal, state, territorial or federal officer, when any such officer, acting in his official capacity, shall apply for the same, or to representatives of the consular corps, or to any domestic or foreign corporation, association or organization not operated for profit which engages in public charity; and provided, further, that the registrar general, upon application of the parent or guardian of any child, shall certify, free of charge, whenever the same shall be required for the admission of such child to a public school or for the purpose of securing employment for such child, as to the name, date and place of birth of such child as shown upon the aforesaid records kept under or by virtue of this chapter; provided, further, that the director of the census of the United States or any of his assistants, acting in their official capacity, may obtain, free of charge, transcripts

of the said records of births and deaths.” [L. 1896, c. 50, s. 19; am. L. 1913, c. 86, s. 4; am. L. 1929, c. 107, s. 1; am. L. 1932, 2d, c. 10, s. 1; R. L. 1935, s. 1482; am. L. 1937, c. 196, s. 1.]

Section 2. This Act shall take effect July 1, 1937.

(Approved May 10, 1937.) S.B. 249, Act 196.

REPORTS OF REGISTRARS.

[A-41] An Act to Amend Section 1487 of the Revised Laws of Hawaii 1935, Relating to the Late Registration of a Birth, the Fee Therefor, and the Furnishing of a Certified Copy of a Certificate of Birth.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1487 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“**Sec. 1487. Late registration.** At any time within one year after the date of birth, if it shall appear to the registrar or the registrar general that any birth occurring in the Territory was not registered within thirty days of the date of such birth, the registrar or registrar general shall require the applicant, or person making application for the registration or a certified copy of a record of birth, to cause the physician or midwife in attendance upon the birth, who failed or neglected to file a certificate thereof, to file at once with the local registrar a certificate of such birth, in as complete form as the lapse of time will permit, and to pay a fee of five dollars, which shall be transmitted to the registrar general by the local registrar and accounted for together with the regular fee required for a certified copy of the certificate of birth thus filed. With such certificate there shall be filed not less than two affidavits by credible witnesses as to the correctness of the statements set forth in any such birth certificate.

If the physician or midwife responsible for the certificate be deceased or cannot be located or, if the birth was unattended by physician or midwife, then the father or mother, householder, manager or superintendent of a public or private institution, or other person having knowledge of the facts, may file such certificate of birth with the registrar general, together with not less than two affidavits as to the correctness of the statements made in any such certificate, and the registrar general shall file the same without payment of the registration fee and shall issue a certified copy of such certificate upon application and payment

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of the fee prescribed for a certified copy of a record of birth, death or marriage.

The registrar or the registrar general shall not receive or permit to be filed or registered any certificate of birth or affidavits not offered for such receipt, filing and registration within one year after the date of birth.

The registrar general shall not furnish a certified copy of any late registration birth record registered prior to July 1, 1931." [L. 1931, c. 67, pt. of s. 3; R. L. 1935, s. 1487; am. L. 1937, c. 77, s. 1.]

Section 2. This Act shall take effect July 1, 1937.

(Approved April 26, 1937.) S.B. 251, Act 77.

Title VIII. PUBLIC WORKS.

CHAPTER 57A. TERRITORIAL PLANNING BOARD.

[A-42] An Act Providing for a Territorial Planning Board and Defining Its Powers and Duties.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 1703.] Section 1. [Board, creation, members, terms, duties.] There is hereby created a Territorial Planning Board consisting of nine members. The Superintendent of Public Works, the President of the Board of Agriculture and Forestry and the Federal Public Works Administrator or in the event there is no Public Works Administrator then the Federal representative of Public Works who shall be designated by the Governor shall be ex-officio members of the Planning Board. The other six members of the Planning Board shall be appointed by the Governor by and with the advice and consent of the Senate. Two of the appointive members shall serve for a term of one year, two for a term of two years, and two for a term of three years, and one of the appointive members in his appointment shall be designated as chairman. Upon the termination of such initial terms the members shall serve for a term of four years in each case. The appointive members shall hold office until their successors are appointed and qualified. Any vacancy occurring before the expiration of a term shall be filled for the unexpired term. At least one of the members of said Board shall

be an architect and at least one of the members of said Board shall be an engineer, both registered to practice in and who have been actively engaged in the practice of their profession in Hawaii for at last five years prior to their appointment. The members of the Board shall serve without pay, but they shall be allowed such reasonable expenses as are authorized by the Board and incurred in the immediate discharge of their duties, to be paid out of such funds as may be available and in the same manner as the expenses of the other territorial officials are paid.

The Board is authorized to appoint, fix the compensation subject to the approval of the Governor, and prescribe the duties and powers of a director and such other employees as may be necessary, and they shall hold office subject to the pleasure of the Board. The Board is also authorized to make such other expenditures from available funds as may be necessary to carry out the provisions of this Act.

[Sec. 1704.] Section 2. [Duties and powers.] It shall be the duty of the Territorial Planning Board to prepare and perfect from time to time a territorial master plan for the physical development of the Territory and prepare and keep current a proposed long term development program of major territorial improvements. It shall among other things:

(a) Advise with the various territorial departments and bureaus and with local authorities and individuals with a view to the coordination of all physical development plans, including plans for highway, air ways and air terminals, parkways, parks, water supply development, flood control, land use, recreation areas and forest reservations that are related to an ordered and comprehensive development of the Territory.

(b) It shall further be the duty of the Territorial Planning Board to regulate public works construction so as to eliminate conflict or competition with the labor demands of private industry, and to particularly coordinate, correlate and schedule such public works with slack employment periods, and with Federal, Territorial, Municipal and County employment demands.

(c) Make studies of rural land utilization with a view to the determination of the areas suitable for field crops, for reforestation, for watershed protection, for reclamation, for recreation, for summer residence and for industrial and urban expansion. Collect, prepare, and make available with recommendations, such plans, data and other information as may be helpful to a planned development and use of both urban and rural areas.

(d) Collect and publish information relating to the proper development of the Territory and the conservation and use of its natural resources designed to promote the general welfare, including the study of the further conservation and utilization of

the water resources of the Territory, and make such recommendations thereon to the Governor and the Legislature as it may deem proper and advisable.

(e) The Territorial Planning Board shall also be responsible for conferring with Federal Officials and Army and Navy authorities, on work contemplated by them, and securing their cooperation in coordinating and scheduling their works program with the other public works activities of the Territory.

[Sec. 1705.] Section 3. [Approves public improvements.]

(a) Territorial departments, boards, commissions and agencies before entering upon any major public improvement or any project involving the construction of improvements or the acquisition of lands for public use related to or affected by any general or master plan or plans prepared under authority of this Act shall give written notice to the Territorial Planning Board of such contemplated or proposed action, and shall give such Board a reasonable opportunity to study and make its recommendations thereon; providing, however, that this provision shall not apply to the acquisition of rights of way for, and construction of, territorial highways which are otherwise specifically provided for by law.

(b) Territorial departments, boards, commissions and agencies shall further give written notice to the Territorial Planning Board of contemplated or proposed public works construction, either by contract or otherwise, advising of any necessary expediency in the completion of such work, and requesting the approval of starting such work, or requesting a date of starting from the Territorial Planning Board and said Board shall within thirty days thereafter take action on such request.

[Sec. 1706.] Section 5. [Federal assistance; reports.] The Territorial Planning Board is hereby authorized and empowered to accept and use any funds provided by the United States government or any agency thereof for the purposes herein to be expended as may be agreed upon between said Board and the United States government or any agency thereof, or may accept gifts made for such purposes. The Board shall submit a report of its plans and recommendations for territorial improvements and developments biennially to the Governor and the Legislature.

[Sec. 1707.] Section 6. Appropriations. There is hereby appropriated out of the general revenues of the Territory the sum of \$35,000.00 to carry out the purposes of this Act. Said sum shall be available for expenditures, during the remainder of the current biennium and during the 1937-1939 biennium.

[**Sec. 1708.**] Section 6. [**Additional duties.**] Territorial Planning Board is hereby authorized to prepare and make maps for the information of the Governor, the Legislature and territorial departments and agencies, to make planning studies and surveys for the collection of data pertaining to soil conditions, land use and classification, population distribution, schools, parks, and playground development, port, harbor and waterway work, parkways, highways, traffic, transportation, water supply, drainage, flood control, and sewerage, building and housing conditions, subdivision control and other matters involved in the physical development of the Territory or of any subdivision thereof.

[Sic]

Section 7. All acts or parts of acts inconsistent with the provisions of this Act are hereby repealed. This Act shall take effect upon its approval.

[Sic]

(Approved May 11, 1937.) **H.B. 318, Act 207.**

CHAPTER 59.

HARBORS.

REGISTRATION OF CERTAIN VESSELS.

[**A-43**] An Act to Amend Section 1746 of the Revised Laws of Hawaii 1935, Relating to Registration of Certain Vessels.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1746 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 1746. Registration. No vessel of fifteen gross tons or less (excepting vessels used solely for pleasure and having a length of not over twenty-five feet) propelled in whole or in part by steam, gas, gasoline, petroleum, kerosene, naphtha, fluid or electricity shall be operated in any waters of the Territory unless the same shall have been registered in accordance with the requirements of this chapter." [L. 1917, c. 152, s. 1; R. L. 1935, s. 1746; am. L. 1937, c. 65, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 23, 1937.) **H.B. 115, Act 65.**

Title IX. TAXATION.

CHAPTER 61. ADMINISTRATION AND REAL PROPERTY TAX.

GENERAL PROVISIONS.

[A-44] An Act to Permit the Inspection of Tax Returns by Proper Officers of the United States or States or Territories Granting Similar Privileges to the Territory of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 1907A.] Section 1. **Permit to inspect returns; reciprocal provisions.** Notwithstanding the provisions of any law making it unlawful for any officer or employee of the Territory of Hawaii to make known information imparted by any tax return or permit any tax return to be seen or examined by any person, it shall be lawful to permit a duly accredited tax official of the United States or any state or territory to inspect any tax return of any taxpayer, or to furnish to such official an abstract of such return or supply him with information concerning any item contained in such return or disclosed by the report of any investigation of such return or of the subject matter of such return; but such permission shall be granted or such information furnished to such official only if the statutes, regulations or practice of the United States or of such other state or territory, as the case may be, grant substantially similar privileges to a duly accredited tax official of this Territory, and only if the United States or such other state or territory, as the case may be, imposes a tax similar to the tax with respect to which such official seeks to exercise such privilege.

Section 2. This Act shall take effect on its approval.

(Approved April 28, 1937.) S.B. 260, Act 109.

RATE AND DISPOSITION OF TAX.

[A-45] An Act Relating to Taxation and Amending Chapter 61, as Amended, Chapter 64 and Chapter 67, as Amended, of the Revised Laws of Hawaii 1935, and Ratifying Real Property Tax Rates for Certain Preceding Years.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 61 of the Revised Laws of Hawaii 1935, as

amended, is hereby amended by amending section 1921 thereof as amended, to read as follows:

"Sec. 1921. Real property tax; determination of rate. Except as exempted or otherwise taxed, all real property in each taxation division shall be subject each year to a tax of such rate per centum as shall be determined in the manner provided in this section upon its fair and reasonable value, determined in the manner provided by law.

The board of supervisors of each county shall submit to the treasurer on or before March 31, of each year a budget showing the estimated receipts and estimated expenditures of such county during and for such year in substantially the following form:

COUNTY OF			
BUDGET FOR THE CALENDAR YEAR.....			
	Column I	Column II	Column III
		Amounts De- ductible from, or otherwise available for, respective items	Itemized amounts to be raised from prop- erty tax.
Item No.	Estimated Expenditures		
(1)	Territorial bonds issued for county purposes (interest on term and serial bonds, sinking fund for term bonds, and principal of all serial bonds maturing the following year) the proceeds of which have been or are to be expended for other than highway purposes
(2)	Territorial bonds issued for county purposes (interest on term and serial bonds, sinking fund for term bonds and principal of all serial bonds maturing the following year) the proceeds of which have been or are to be expended for highway purposes
		Liquid fuel taxes, etc.

(3) General county bonds (interest on term and serial bonds, sinking fund for term bonds and principal of all serial bonds maturing the following year) the proceeds of which have been or are to be expended for other than highway purposes	Water revenues, etc.
(4) General county bonds (interest on term and serial bonds, sinking fund for term bonds and principal of all serial bonds maturing the following year) the proceeds of which have been or are to be expended for highway purposes	
(5) Schools, special fund	
(6) County contributions specifically required by law to institutions	
(7) County contributions to the Employees' Retirement System of the Territory	
(8) Other county items fixed by law	
(9) Permanent improvements and current and operating expenses	
Total items (1) to (9)	
(10) Total amounts to be raised by real property tax	
(11) Amount to be raised by personal property tax for county purposes	
OTHER ESTIMATED COUNTY REVENUES AND EXPENDITURES	

Bond Funds. For Item (1) under column I the treasurer, on or before January 31 of each year, shall compute and submit to the board of supervisors of each county the amounts which are pay-

able to or retainable by the Territory for such county for that calendar year to meet interest charges for term and serial bonds, sinking fund charges for term bonds, and the principal for all serial bonds maturing the following calendar year, which bonds have been issued by the Territory for county purposes and the proceeds of which have been or are to be expended for other than highway purposes.

For item (2) under column I the treasurer, on or before January 31 of each year, shall compute and submit to the board of supervisors of each county an estimate of the amounts which are payable to or retainable by the Territory for such county for that calendar year to meet interest charges for term and serial bonds, sinking fund charges for term bonds, and the principal for all serial bonds maturing the following calendar year, which bonds have been issued by the Territory for county purposes and the proceeds of which have been or are to be expended for highway purposes.

For item (3) under column I the board of supervisors of each county shall compute the amounts payable by such county for such calendar year to meet interest charges for term and serial bonds, sinking fund charges for term bonds, and the principal for all serial bonds maturing the following calendar year, which bonds have been issued by such county and the proceeds of which have been or are to be expended for other than highway purposes.

For item (4) under column I the board of supervisors of each county shall compute the amounts payable by such county for such calendar year to meet interest charges for term and serial bonds, sinking fund charges for term bonds, and the principal for all serial bonds maturing the following calendar year, which bonds have been issued by such county and the proceeds of which have been or are to be expended for highway purposes.

Schools Funds. For item (5) under column I the amount for such county shall be the amount of the special school fund budget for such county for such calendar year itemized in the manner specified in section 773.

County contributions. For item (6) under column I the board of supervisors of each county shall compute the amounts payable, or required to be appropriated or contributed, by such county for such calendar year to or for public or quasi public institutions, such as hospitals, which payments, appropriations or contributions are by law specifically required of such county.

In item (7) under column I the board of supervisors of each county shall include the amount estimated by the board of trustees of the employees' retirement system of the Territory, pursuant to chapter 260, to be due from such county for such calendar year on account of the employees thereof who are members of the

employees' retirement system, which estimate shall be submitted to such board of supervisors by the trustees on or before January 31 of the calendar year.

In item (8) under column I shall be included any additional amount or amounts specified or required by special acts of the legislature relating to the county and which cannot be included in any other item under column I.

In item (9) under column I shall be included: (a) All items for permanent improvements for the county; and (b) Current and operating expenses of the county including, among other items, the operating expenses of the departments of such county, any portion or all of the expenses of operating and equipping sewer and cesspool pumping systems as operated or extended, road maintenance and repair and other current, operating or general needs; provided, however, that there shall not be included in said item (9) any amounts for the payment of any charges for interest, sinking fund or principal on any bonds issued for county purposes, any law to the contrary notwithstanding (but nothing herein contained shall be construed to prohibit the use of any general fund moneys for the payment of any bond requirements in the event of a subsequently developing shortage of other available moneys therefor).

Under column II there shall be included by the board of supervisors, opposite any item under column I, any amounts which are required or authorized by law to be deducted from, or offset against, the tax rate calculations for such calendar year for such item, representing revenues or other funds available or estimated to be available during the year and applicable on account of such item under column I.

Under column III there shall be included, opposite each item of column I, a figure equal to the amount (if any) remaining after deducting or offsetting the amount included under column II of such item from or against the amount included under column I of such item.

Under the heading 'Other Estimated County Revenues and Expenditures' there shall be included estimates of miscellaneous revenues and estimated expenditures therefrom not included in items (1) to (11) inclusive, of the budget and any other data bearing on county finance.

The budget so prepared shall be approved by a resolution of the board of supervisors adopted in the manner provided by law relating to resolutions involving the expenditure of public money, except that such budget may, but need not, be published in a newspaper before final adoption in order to be valid. No such publication shall be made in any newspaper except a daily newspaper published in the county, unless no daily newspaper is published in such county, in which event such publication may be made in any

newspaper published in such county. If the budget is submitted earlier than March 31, the same may be amended from time to time by resolution similarly adopted and filed with the treasurer on or before such date.

The treasurer shall, on or before May 10th, determine the rate per centum at which the taxable real property in the taxation division in which the county is situated shall be taxed in order to yield the total of the amounts set forth in items (1) to (9), inclusive under column III of the budget, being the amount set forth in item (10) under column III.

If, however, the amount shown in item (10) under column III of the budget for any county shall exceed, in the case of:

- (a) The city and county of Honolulu,
the sum of\$3,500,000.00;
- (b) The county of Maui, the sum of..... 770,000.00; or
- (c) The county of Hawaii, the sum of..... 1,050,000.00; or
- (d) The county of Kauai, the sum of..... 500,000.00;

the amount shown by the item shall be reduced to the amount last hereinabove stated for such county. No deduction shall be made by the treasurer from any item of such budget. Insofar as the validity of the tax rate shall be concerned, the provisions of this section shall be deemed directory, and no informality, and no other defect whatsoever, whether in form or substance, in such budget, shall invalidate or be deemed to invalidate said budget or any tax rate based thereon, so long as the rate fixed pursuant to such budget shall not exceed the amount set forth hereinabove, or otherwise provided by law, as the tax rate limit for such county.

If the board of supervisors shall fail to transmit a budget within the time hereinabove required, the treasurer shall adopt, as a basis for fixing the real property tax rate for the county, a figure equal to ten per centum less than the amount hereinabove last stated as the limit of the amount to be raised for such county by real property taxation.

In determining the real property tax rate the aggregate value of real property as assessed for the purposes of the tax for the current year, with calculations made as of April 20 of assessed values of the current year, shall be taken as a basis. In all cases where appeals are unsettled, the values used shall be the lowest claimed by the tax payer in each case, plus fifty per centum of the value in dispute.

The rate determined shall forthwith be communicated to the commissioner and shall be the rate at which such real property shall be taxed for such calendar year under this section in the taxation division in which is included the county for which the budget is submitted.

Any information or estimates necessary to be given to any board of supervisors by any officers, either county or territorial, or by any other persons in order to enable the board to prepare the budget or any item thereof for any calendar year, shall be submitted by such officers or persons to the board not later than January 31 of such year, any other law to the contrary notwithstanding." [L. 1932, 2d, c. 40, s. 21; am. L. 1933, c. 100, s. 1; R. L. 1935, s. 1921; am. L. 1935, cc. 191, 216, ss. 1; am. L. 1937, c. 172, s. 1.]

[**Sec. 1921.** See Acts 11 and 76, *infra*, page 408.]

Section 2. Chapter 61 of the Revised Laws of Hawaii 1935, as amended, is hereby further amended by amending section 1922 thereof to read as follows:

"Sec. 1922. Real property tax; disposition of proceeds. All real property taxes collected under this chapter shall be paid into the territorial treasury each month within ten days after collection. Out of such taxes paid into the territorial treasury from each county, the treasurer shall retain from time to time in special accounts sufficient amounts for the purposes specified in items (1), (2) and (7), under column III, respectively, of the budget provided for in section 1921, and shall pay the balance thereof to the treasurer of such county, within ten days after the same have been paid into the territorial treasury, for the purposes specified in items (3), (4), (5), (6), (8) and (9) under column III of the budget. The county treasurer shall, from time to time, allot from such balance sufficient for the purposes specified in items (3), (4), (5), (6) and (8), respectively, and shall keep such allotments in special accounts for use for such purposes only and shall under no circumstances allow any part thereof to be used for any other purpose; nor shall the territorial treasurer allow any moneys so retained for the purposes specified in items (1), (2) and (7) to be used for any other purpose; provided, however, that if any amount included in item (8) shall, by law, be required to be retained by the territorial treasurer for any purpose specified by law, such amount shall be so retained by the treasurer and applied to such purpose. If at any time there shall be insufficient moneys for the purposes of any special account, moneys in the general account of the territory or county, as the case may be, may be used for such purposes, in which case the general account may later be reimbursed by transfers from such special account.

All property taxes (including real and personal property taxes for any year preceding the year 1933, and delinquent taxes and taxes collected by reason of assessments of omitted property, additional assessments or the settlement of tax appeals) collected during any calendar year in any county shall (except as otherwise pro-

vided by law) be applied on account of the requirements of such county for such year as set forth in its budget for such year, not to exceed, however, in the aggregate, a maximum amount equal to the sum of (a) the amount set forth in item (10) under column III of the budget for such county or the amount fixed by section 1921 as the limit of the amount to be raised by real property taxes for such county, whichever is the smaller, and (b) the amount of any deficiency in meeting the requirements of such county for such preceding calendar year as set forth in its budget for such year, caused by insufficient tax collections under this chapter or under chapter 64, or both of said chapters, during such year; provided, that in case there was such deficiency in meeting the requirements of such county for such preceding calendar year, then any delinquent tax collections made during the current year of taxes assessed in prior years shall be expendable forthwith by the county on account of any obligations incurred or commitments made during such preceding year and not paid or met because of such deficiency in collections.

Any taxes collected during the current year in any county in excess of said maximum amount shall be retained by the treasurer and applied to meet the requirements of such county for the succeeding calendar year and shall by him be deducted from the amount (item (10) under column III of the budget) which would otherwise be used by him in fixing the rate for the county for the succeeding calendar year pursuant to section 1921, thereby reducing the tax rate. If the amount of the total county requirements set forth in item (10) under column III of the budget shall be in excess of the county's maximum limit fixed by section 1921, to be raised by real property taxes, the treasurer shall first reduce said requirements to the amount of said tax rate limit as provided by section 1921, and shall then deduct from said reduced amount the amount of such excess collections pursuant to this paragraph. Such excess collections shall not be taken into consideration by the board of supervisors in fixing and submitting to the treasurer its budget for the succeeding calendar year pursuant to section 1921.

All payments to be made by the territorial treasurer as aforesaid shall be made upon warrants issued by the territorial auditor; provided, however, that nothing in this chapter contained shall be construed as in any way amending or repealing the provisions of any law authorizing the withholding, by the territorial treasurer or the territorial auditor, of moneys in the territorial treasury belonging or due to any county for the payment of principal, interest or sinking fund charges for territorial bonds, or any other charges." [L. 1932, 2d, c. 40, s. 71; am. L. 1933, c. 100, s. 2; am. L. 1933, c. 203, s. 1; R. L. 1935, s. 1922; am. L. 1935, c. 191, s. 2; am. L. 1937, c. 172, s. 2.]

[**Sec. 1962. Publication of lists of delinquent taxes; uncollectible delinquent taxes.** Amended by Act 203, *infra*, page 76.]

[**Secs. 1966, 1967, 1970, relating to delinquent tax bureau.** Amended by Act 241, *infra*, page 77.]

[**Sec. 1972. Coffee lands.** Amended by Act 103, *infra*, page 77.]

[**Sec. 1977. Specific property exempt.** Amended by Act 131, *infra*, page 78.]*

Section 3. Chapter 64 of the Revised Laws of Hawaii 1935, is hereby amended by amending section 2021 therein (section 12 of Act 19, First Special Session Laws of Hawaii 1932 as incorporated in said Revised Laws) to read as follows:

“Sec. 2021. Disposition of taxes collected. There are created in the treasury of the Territory five special funds to be known, respectively, as ‘Fuel Tax Fund—City and County of Honolulu’; ‘Fuel Tax Fund—County of Maui’; ‘Fuel Tax Fund—County of Hawaii’; ‘Fuel Tax Fund—County of Kauai’ and ‘Territorial Airport Fund’.

The taxes collected under this chapter for fuel sold or used within each of the counties or sold in one county for use in another shall be deposited in the territorial treasury in such special funds to the credit of the respective counties in which the same is so sold, used, or to be used; provided, however, that all taxes collected under this chapter in respect to gasoline sold for use and used in airplanes shall be set aside in a special fund to be known as the ‘Territorial Airport Fund’ and the moneys in such fund shall be expended by the superintendent of public works for the construction, repair and maintenance of the territorial airports or territorial hangars. Liquid fuels sold in one county for use in another shall be allocated to the county in which the same is used. The treasurer shall allocate for the following purposes and in the order of priority herein set forth shall hold or use or pay to the county treasurer as the case may be and as soon as possible the amount in each county fuel tax fund of collections for fuel sold or used during any calendar year:

(1) The treasurer each year shall deduct from each such fund in proportion to the total amount of collections therein for such year, such an amount as, added to the pro rata deductions from each of the other county fuel tax funds for the same purpose, will aggregate the sum of one hundred thousand dollars (\$100,000.00), and all such deductions shall be placed in a special fund, hereby created, to be known as ‘Territorial Highway Fund’. All moneys in such fund shall be expendable for the construction or recon-

* For amendments to fuel, gross income, inheritance, and automobile taxes, see *infra*, p. 80, *et. seq.*

struction of highways in the Territory upon which federal aid moneys are expendable, pursuant to the provisions of the Hawaii Federal Aid Highway Act, chapter 58 of the Revised Laws of Hawaii 1935, and the Federal Highway Act and legislation supplementary thereto.

(2) For the payment of the interest on term and serial bonds, sinking fund charges on term bonds due during the year of allocation and payments of principal of serial bonds which are due during the year following the year of allocation on:

(a) Such proportion of all territorial bonds issued for territorial highway purposes as the value of the real property of such county bears to the aggregate value of real property in the Territory, as assessed (using the valuations fixed as of December 31st of the year preceding the year of allocation) for the purposes of real property taxation; provided, however, that in case personal property is also subject to a property tax in connection with real property, such personal property shall be included in the valuations upon the basis of which such apportionment is determined;

(b) All territorial bonds issued for such county the proceeds of which may have been spent upon county highways;

(c) All bonds issued by such county for highway purposes, including bonds, the payment of the principal and interest of which is required by law to be made out of the permanent improvement fund of the county.

(3) Within ten days after the approval of this Act and on or before January 31, 1938, and every succeeding year thereafter the treasurer shall submit to the board of supervisors of each county an estimate of proceeds from the fuel tax which may be available for the benefit of such county for the calendar year and the board of supervisors of each county shall, in their budget for such year, include such amounts or in the event that such amounts are more than sufficient for such purpose then shall include such portions thereof as shall be necessary to fully cover the items hereinafter referred to in the budget as offsets or deductions in column II opposite the items under column I which correspond to items 2(b) and 2(c) of this section.

(4) Surplus collections in any such fund on hand January 1, 1937, and surplus collections for any year in any such fund remaining over and above the estimated amounts to be applied in the payment of charges hereinabove set out as shown by the budget submitted in accordance with the provisions of section 1921 of the Revised Laws of Hawaii 1935, shall, as they are received by the treasurer, be paid to the county concerned and shall be held in a special fund to be known as 'Fuel Tax Highway Fund' and shall be expended only for the construction, maintenance, improvement and repair of public roads and highways in such county, including

without restriction of the foregoing purposes, costs of new land therefor, of permanent storm drains and of new bridges as well as repairs or additions to storm drains or bridges and including also installation, maintenance and repairs of street lights and power and other charges for street lighting purposes; provided, however, that no expenditures shall be made from said fuel tax highway fund which shall jeopardize federal aid for highway construction.

(5) No amounts held or used or paid under subdivision (4) of this section shall be deducted from the total amount used in accordance with the provisions of section 1921 as a basis for calculating the real property tax rate of the several counties concerned." [L. 1932, 1st, c. 19, s. 12; am. imp. L. 1932, 2d, c. 40, ss. 26, 71; am. L. 1933-4, c. 6; R. L. 1935, s. 2021; am. L. 1937, c. 172, s. 3.]

Section 4. Chapter 67 of the Revised Laws of Hawaii 1935 is hereby amended by amending **section 2100** therein, as amended by Act 153, Series A-33, of the Session Laws of Hawaii 1935, by adding thereto the following definitions:

"'Board' shall mean the board of supervisors of each county or of the city and county concerned.

'County' shall mean and include each county of the Territory and the city and county of Honolulu."

Section 5. Said chapter 67 is hereby further amended by amending section 2102 therein, as amended by Act 153, Series A-33, of the Session Laws of Hawaii 1935, to read as follows:

"Sec. 2102. Personal property tax; rate.

1. Except as exempted or otherwise taxed in lieu of personal property taxes, all personal property within the Territory shall be subject to a tax each year upon its assessed value, arrived at as required by this chapter, at such rate per centum as shall be determined pursuant to this section.

2. The tax commissioner shall submit to the treasurer in each such calendar year, on or before the 1st day of April, the aggregate amount of the value of all taxable personal property in the Territory, as determined solely upon the basis of the returns of the taxpayers and taxable values so returned by them, for such assessment year. The treasurer shall thereupon compute the rate which, when applied to said aggregate amount of taxable value, will produce the amount of one million six hundred thousand dollars (\$1,600,000.00) during the calendar year 1937 and two million dollars (\$2,000,000.00) in each calendar year thereafter. The rate so determined shall be the Territory's proportion of the rate for personal property taxes for said assessment year in each county (such proportion being hereinafter referred to as the 'territorial rate'); provided, that such territorial rate shall in no event be less than one per centum.

3. The board shall prepare and submit to the treasurer of the Territory on or before March 31st of each year a statement of the amount of the county's requirements for such year in addition to those covered by all other revenues of the county, to be met by personal property taxes in the county but not in excess of the amount specified for each county in the following table:

City and county of Honolulu.....	\$500,000.00
County of Maui.....	100,000.00
County of Hawaii.....	300,000.00
County of Kauai.....	100,000.00

Such statement shall be submitted in the budget provided for in section 1921. The treasurer shall, on or before May 10, determine the rate per centum at which the taxable personal property (valued upon the same basis as in the case of determining the territorial rate) in the taxation division concerned shall be taxed in order to yield the amount of such county's personal property tax requirements for such year. Such rate, shall constitute such county's proportion of the personal property tax rate for such county for such year, such proportion being hereinafter referred to as the 'county rate'.

4. The territorial rate and the county rate so determined, and the aggregate thereof, for each county shall be reported in writing forthwith by the treasurer to the tax commissioner and the board of supervisors of the county concerned. The aggregate rate so determined for each county shall be the rate at which all personal property in the taxation division concerned shall be taxed for the current calendar year." [L. 1933-4, c. 9, s. 1; R. L. 1935, s. 2102; am. L. 1935, c. 153, s. 4; am. L. 1937, c. 172, s. 5.]

Section 6. Said chapter 67 is hereby further amended by amending section 2112 therein to read as follows:

"Sec. 2112. Taxes; disposition; apportionment between Territory and each county.

1. For the purposes of this section:

(a) The term 'territorial personal property tax requirements' shall mean the amount produced by applying the territorial rate, as defined in subsection 2 of section 2102, to the aggregate value of all taxable personal property in the county concerned as determined pursuant to said subsection 2, for the year concerned.

(b) The term 'county personal property tax requirements' shall mean the amount produced by applying the county rate, as defined in subsection 3 of section 2102, to said aggregate value of taxable personal property, for the year and in the county concerned.

2. All personal property taxes collected under this chapter shall be paid into the territorial treasury at such times as soon as practicable after collection as the treasurer shall direct.

3. All personal property taxes collected in any calendar year on personal property in each county, shall be disposed of, as soon as possible after receipt thereof by the territorial treasurer, in the following order of priority and as follows:

(a) First, such taxes shall be paid to the treasurer of the county until such payments shall aggregate one-half of such county's personal property tax requirements for such year;

(b) Next, the surplus of such taxes over the amounts designated in subsection 3(a) of this section shall be paid into the general fund of the Territory as territorial realizations, until such payments shall aggregate one-half of the territorial personal property tax requirements for such year in such county;

(c) Next, the surplus of such taxes over the amounts designated in subsections 3(a) and 3(b) of this section, shall be paid to the treasurer of the county until such payments shall aggregate the remaining one-half of such county's personal property tax requirements for such year; and

(d) Finally, the balance of such taxes over the amounts designated in subsections 3(a), 3(b) and 3(c) of this section shall be paid, regardless of amount, into the general fund of the Territory as territorial realizations.

4. The taxes so paid to each county shall be expendable for the same purposes as moneys in its general fund." [L. 1933-4, c. 9, s. 4; R. L. 1935, s. 2112; am. L. 1937, c. 172, s. 6.]

Section 7. Said chapter 67 is hereby further amended by amending **section 2113** therein, as enacted by Act 153, Series A-33, of the Session Laws of Hawaii 1935, by substituting, for the word 'April' in the second line of said section, the word 'May'.

Section 8. The real property tax rates for each of the counties for the years 1932, 1933, 1934, 1935 and 1936, as the same were finally fixed for each of said respective years, are hereby validated, ratified and confirmed.

Section 9. All laws or parts thereof in conflict herewith are hereby repealed.

Section 10. This Act, subject to the following provisos, shall take effect as of January 1, 1937; provided, that each county shall have fifteen days after the approval of this Act within which to submit a statement of its county personal property tax requirements for the year 1937, and the personal property tax rate for each county shall be recalculated as soon as possible thereafter by the territorial treasurer in accordance with the amendments made by this Act, and such recalculated rate shall forthwith be reported by the treasurer to the tax commissioner and be published by him, and shall constitute the rate at which personal property shall be taxed in such county for the calendar year 1937, any provision of said chapter 67 or of the preceding sections of this Act to the con-

trary notwithstanding; and provided further, that any other law to the contrary notwithstanding, the board of supervisors of each county shall submit to the treasurer of the Territory, not later than fifteen days after the approval of this Act, an amended budget in conformity with the provisions of said chapters 61, 64 and 67 of said Revised Laws, as hereby amended, and the treasurer shall fix and determine the real property tax rate for each county not later than June 1, 1937, upon the basis of such amended budget and in conformity with the provisions of said chapters 61, 64 and 67 as hereby amended, and such rates so fixed shall constitute the real property tax rates for such respective counties for the year 1937.

(Approved May 8, 1937.) **S.B. 45, Act 172.**

ENFORCEMENT OF PAYMENT.

[A-46] An Act to Amend Section 1962 of the Revised Laws of Hawaii 1935, Relating to Delinquent Taxes.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1962 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 1962. Publication of lists of delinquent taxes; uncollectable delinquent taxes. On or before December 31 of each year each tax collector shall prepare, sign, certify, post and maintain publicly for six months in the tax collector's office and the district court for each district, a complete list of all names of the delinquent taxpayers in his division and the amount of assessed taxes remaining delinquent by each such taxpayer, but it shall not be necessary to annually compute or list the amount of penalties and interest upon any delinquent taxes.

Each tax collector may prepare a list of all delinquent taxes which in his judgment are not collectable and may submit such list to the treasurer, auditor and attorney general on or before December 31 of each year. Such items on the lists as are approved by the treasurer, the attorney general and the auditor, may be recorded in special books in the tax office as uncollectable, and may be removed from the other books kept by the tax collector. The only effect of the approval of such delinquent items shall be to permit such special recording, and such delinquencies shall be posted in the manner hereinbefore provided." [L. 1932, 2d, c. 40, s. 68; R. L. 1935, s. 1962; am. L. 1937, c. 203, s. 1.]

Section 2. This Act shall take effect on its approval.

(Approved May 11, 1937.) **S.B. 259, Act 203.**

DELINQUENT TAX BUREAU.
EXEMPTIONS.

SERIES A-47.—ACT 241]
SERIES A-48.—ACT 103]

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DELINQUENT TAX BUREAU.

[A-47] An Act to Amend Sections 1966, 1967 and 1970 of the Revised Laws of Hawaii 1935, Relating to the Delinquent Tax Bureau.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 1966** of the Revised Laws of Hawaii 1935 is hereby amended by changing the "period" at the end of the first sentence thereof to a "comma" and adding thereafter the following: "and who shall have, with respect to delinquent taxes and all proceedings for enforcement of payment thereof, all the powers by law vested in the tax collector."

Section 2. **Section 1967** of said Revised Laws is hereby amended by amending the first sentence thereof to read as follows:

"The Attorney General of the Territory shall assign one of his deputies as attorney and legal advisor and representative of the collector for the bureau."

Section 3. **Section 1970** of said Revised Laws, as amended by Act 137, Series A-37, of the Session Laws of Hawaii 1935, is hereby further amended

(a) by substituting for the words "the fiscal biennium ending June 30, 1937", in the fourteenth line thereof, the words "any fiscal biennium,"
and

(b) by substituting for the word "sixty", in the fifteenth line thereof, the words "sixty-five"
and

(c) by substituting for the words "seventy-five hundred", in the sixteenth and seventeenth lines thereof, the words "fifteen thousand".

Section 4. This Act shall take effect upon July 1, 1937.
(Approved May 18, 1937.) S.B. 234, Act 241.

EXEMPTION.

[A-48] An Act Amending Section 1972 of the Revised Laws of Hawaii 1935, Relating to Exemption of Coffee Lands From Taxation.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1972 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 1972. Coffee lands. All lands now under lease and actually and solely used in the planting of coffee and in the cultiva-

tion thereof after such planting, for which a reduction of rental in an amount equal to the exemption from taxation hereinafter provided, shall be made by the lessor to the tenant, or for which no rental is chargeable to or payable by the tenant, shall, together with such coffee, be exempted from taxation for the years 1937 and 1938.

"Lands hereafter leased and actually and solely used in the planting of coffee and in the cultivation thereof after such planting, for which no rental in any form is chargeable to or payable by any tenant of such lands during the years for which exemption is hereby provided, shall, together with such coffee, be exempted from taxation for the years hereinabove enumerated. The term 'tenant' shall include any lessee, sub-lessee, tenant, sub-tenant, assignee, or other person holding, directly or indirectly, from, of, under or through the owner of such lands.

"Lands actually and solely used in the planting of coffee and in the cultivation thereof after such planting, by the owner of such lands, shall, together with such coffee, be entitled to the same exemption as hereinabove provided, for such part of the exemption period hereinabove mentioned during which such lands (a) shall be retained in the control of the owner or owners thereof (including persons taking the same by devise or inheritance, and bona fide purchasers thereof), or (b), if leased during such period, shall be rent free as hereinabove provided." [L. 1929, c. 130, s. 1; R. L. 1935, s. 1972; am. L. 1937, c. 103, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 12, Act 103.**

[A-49] An Act to Amend Section 1977 of the Revised Laws of Hawaii 1935, as Amended, Relating to Exemptions From Property Taxes.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 1977** of the Revised Laws of Hawaii 1935, as amended, is hereby further amended by adding thereto, immediately after the paragraph numbered 37 thereof, new paragraphs to read as follows:

"38. The property of the Korean National Association of Hawaii, used as a home for aged and indigent Korean men, situated on Miller Street, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 2, Sec. 1, Plat 18, Parcel 22.

"39. The property of the See Yip Benevolent Society, sometimes known as See Yip Bum Society, used as a home for aged and

indigent Chinese men, situated at 456 North King Street, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 28, Parcel 7.

"40. The property of the Chee Kung Tong Association, used as a home for aged and indigent Chinese men, situated at 1284 Aala Lane, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 26, Parcel 28.

"41. The property of the Get On Society, sometimes known as the Ket On Fui Kon Association, used as a home for aged and indigent Chinese men, situated at 296 N. Kukui Street, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 24, Parcel 18.

"42. The property of the Lun Doo Chun Sin Tong Society, sometimes known as Lung Do Chung Sin Tong Benevolent Society, used as a home for aged and indigent Chinese men, situated at Aala Lane & Kukui Street, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 26, Parcel 14.

"43. The property of the See Dai Doo Society, used as a home for aged and indigent Chinese men, situated on Vineyard Street, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 24, Parcels 45 and 46.

"44. The property of the Duck Doo Society, used as a home for aged and indigent Chinese men, situated on Kauluwela Lane, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 21, Parcel 8.

"45. The property of Lum Sai Ho Tong, used as a home for aged and indigent Chinese men, situated on River Street, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 6, Parcel 10.

"46. The property of the Jack Sing Tong (Society), used as a home for aged and indigent Chinese men, situated on Kamakela Lane, Honolulu, so long as the same is used exclusively for such purpose. Key to Taxation Maps: First Division, Zone 1, Sec. 7, Plat 34, Parcel 7.

"47. The property used by the Maui Council Girl Scouts as a camp, so long as the same is used exclusively for such purpose.

"48. The property used by the Maui Council Boy Scouts as a camp, so long as the same is used exclusively for such purpose."

Section 2. The exemptions granted by this Act, shall take effect as of January 1, 1937, provided that, with respect to the year 1937, on or before June 1, 1937, returns of the respective properties

involved are filed with the assessor and claims for such exemptions from taxation are made in such returns.

Section 3. This Act shall take effect upon its approval.

(Approved May 4, 1937.) S.B. 139, Act 131.

CHAPTER 64. FUEL TAX.

[A-50] An Act to Amend Chapter 64 of the Revised Laws of Hawaii 1935, Relating to the Fuel Tax.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 64 of the Revised Laws of Hawaii 1935, is hereby amended, by amending Section 2013 to read as follows:

"Sec. 2013. Distributors to pay certain license taxes. (a) Every distributor shall, in addition to any other taxes provided by law, pay a license tax to the treasurer of four cents for each gallon of liquid fuel, (including diesel oil) refined, manufactured, produced or compounded by such distributor and sold or used by him in the Territory, or imported by such distributor, or acquired by him from persons not licensed distributors, and sold or used by him in the Territory.

"(b) (1) The treasurer shall reimburse and pay to persons three cents (3c) of the tax paid by them either directly or indirectly under the provisions of subsection (a) of this section upon diesel oil used by such persons for any purpose other than operating a motor vehicle upon the public highways of this Territory, provided that proper claims for such refund have been filed within ninety (90) days after the payment of such tax.

"(2) Claims must be duly verified by the affidavit of the claimant or by one of the principal officers, if the claimant be a corporation, upon forms prescribed by the treasurer. The claim must state such facts relating to the purchase, importation, manufacture or production of diesel oil by the claimant as the treasurer deems necessary and the time when and the specific purpose for which it was used.

"(c) Provided, however, that the tax shall not be collected in respect to any liquid fuel shown to the satisfaction of the treasurer to have been sold for use in and actually delivered to, or sold in the County of Kalawao." [L. 1932, 1st, c. 19, s. 4; am. L. 1933, c. 133, s. 2; R. L. 1935, s. 2013; am. L. 1937, c. 189, s. 1.]

Section 2. Said Chapter 64 is hereby further amended by amending **Section 2016** therein, by substituting, for the words

[See Act 127, page 233.]

“three cents or one cent”, in the twenty-first and twenty-second lines of said Section, the word “four”.

Section 3. This Act shall take effect January 1, 1938.

(Approved May 8, 1937.) **H.B. 507, Act 189.**

[**Sec. 2021. Disposition of Taxes Collected.** Amended by Section 3 of Act 172, *supra*, page 71.]

CHAPTER 64A. GENERAL EXCISE TAX LAW.

[**A-51**] An Act to Amend Act 141, Section 2 of the Session Laws of Hawaii 1935, Relating to the Imposition and Rate of Gross Income Tax.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Act 141, Section 2 [**Sec. 2025B**] of the Session Laws of Hawaii 1935, is hereby amended by amending paragraph III of said Section 2 to read as follows:

“III. Before the 15th day of June of each year the director of the bureau of the budget shall prepare and submit to the treasurer an estimate of the amount of moneys required for the purpose of meeting the estimated probable expenditures during the next fiscal year, and if the amount of money required is less than the amount of money estimated to be available, the treasurer may, with the written approval of the governor, decrease the rate of one and one-quarter per cent (1-1/4%) fixed by Section 2-I to such extent that the estimated amount to be raised hereunder will only be sufficient to meet the required expenditures.

“But if the estimate of the moneys required, in addition to all other moneys estimated to be available for the purpose of meeting the estimated probable expenditure during the next fiscal year, shall be greater than the amount of money available by virtue of the taxes imposed by this Act at the rates fixed by Section 2-I thereof, then the treasurer may, with the written approval of the governor, increase the rate of one and one-quarter per cent (1-1/4%) fixed by said Section 2-I to such extent, not exceeding an additional one-quarter of one per cent (1/4%), that the estimated amount to be raised hereunder will be sufficient (within the limit of such increase) to meet the required expenditures.

“Such increase or decrease in rate shall apply to taxes accruing during the said fiscal year.”

Section 2. This Act shall take effect upon its approval.

(Approved May 3, 1937.) **H.B. 484, Act 128.**

[A-52] An Act to Amend Act 141 of the Session Laws of Hawaii 1935, Relating to Taxation, by Amending Section 9 Thereof Relating to Appeals, and Section 22 Thereof Relating to Records, and Providing a Penalty for Violation of Said Section 22.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 9 of Act 141 of the Session Laws of Hawaii 1935 is hereby amended to read as follows:

[Sec. 2025 I.] "Sec. 9. **Appeal; correction of assessment.** If any person having made the return and paid the tax for any month or any year as provided by this Act feels aggrieved by the assessment so made upon him by the tax commissioner, he may appeal from said assessment in the manner and within the time and upon giving notice in writing stating his grounds of appeal to the person specified in section 2045 of the Revised Laws of Hawaii 1935. Where final judgment is in favor of the taxpayer for the repayment to him in whole or in part of taxes paid and no appeal has been perfected therefrom, the auditor of the Territory shall, upon the presentation by the taxpayer to him of a certified copy of said final judgment, issue his warrant in payment of said judgment in the form prescribed by the Revised Laws of Hawaii 1935, section 594, on the territorial treasury which shall be payable out of the 'gross income tax reserve fund' in this Act created, provided, however, that where final judgment is in favor of the taxpayer for the redetermination of a monthly installment of tax and no appeal has been perfected therefrom the excess tax paid shall constitute an overpayment credit which shall be applied to taxes subsequently accruing, if any, and refunded to the extent of overpayment of the assessment for the year as herein elsewhere provided." [L. 1935, c. 141, s. 9; R. L. 1935, s. 2025I; am. L. 1937, c. 202, s. 1.]

Section 2. Section 22 of Act 141 of the Session Laws of Hawaii 1935 is hereby amended to read as follows:

[Sec. 2025 V.] "Sec. 22. **Records to be kept; examination.** It shall be the duty of every taxpayer to keep in the English language and preserve for a period of three years suitable records of gross proceeds of sales and gross income, and such other books, records of account and invoices as may be required by the commissioner, and all such books, records and invoices shall be open for examination at any time by the commissioner, or his duly authorized deputy, or by the divisional assessor (or his deputy) in whose office the return, returns and reports of the taxpayer are, or should be, filed under the provisions of this Act. Any person violating the provisions of this section shall be guilty of

a misdemeanor; and any director, president, secretary or treasurer of a corporation who permits, aids or abets such corporation to violate the provisions of this section shall likewise be guilty of a misdemeanor; the penalty for such misdemeanor shall be that prescribed by section 19 for individuals, corporations or officers of corporations, as the case may be, for violation of said section 19." [L. 1935, c. 141, s. 22; R. L. 1935, s. 2025V; am. L. 1937, c. 202, s. 2.]

Section 3. This Act shall take effect on its approval.

(Approved May 11, 1937.) **S.B. 258, Act 202.**

CHAPTER 66. INHERITANCE TAX

[A-53] An Act to Amend Chapter 66 of the Revised Laws of Hawaii 1935, Relating to Inheritance Tax.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 66 of the Revised Laws of Hawaii 1935 is hereby amended by adding, after section 2063 thereof, two new sections to be numbered section 2063-A and section 2063-B, respectively, and to read as follows:

"Sec. 2063-A. Life insurance exempt. The proceeds of life insurance policies paid at the death of the insured shall be exempt from all taxes imposed by this chapter, except in so far as the policies are collectible by the executors or administrators of the insured in which case such proceeds shall be subject to said taxes.

"Sec. 2063-B. Property previously taxed exempt. When property has been subject to a tax under the provisions of this chapter, such property or other property acquired in exchange therefor, shall not again be subject to a tax under the provisions of this chapter within five years from the date of the death of the former decedent where the property can be identified as having been received by the later decedent from the former decedent or as having been acquired in exchange for property so received, unless the value thereof shall have appreciated, in which case the tax shall apply only to the amount of such appreciation."

Section 2. This Act shall take effect upon its approval.

(Approved May 6, 1937.) **S.B. 216, Act 152.**

CHAPTER 67. PERSONAL PROPERTY TAX.

DEFINITIONS AND GENERAL PROVISIONS.

[Sec. 2100. **Definitions.** Amended by section 4 of Act 172, supra, page 73.]

TAX LEVY AND ASSESSMENT.

[Sec. 2102. **Personal Property tax; rate.** Amended by section 5 of Act 172, supra, page 73.]

SPECIAL PROVISIONS.

[Sec. 2112. **Taxes; disposition; apportionment between Territory and each county.** Amended by section 6 of Act 172, supra, page 74.]

[Sec. 2113. **Notice of Final Rate.** Amended by section 7 of Act 172, supra, page 75.]

[See also section 10 of Act 172, supra, page 75.]

CHAPTER 69A. PUBLIC UTILITIES TAX, ELECTRIC LIGHT AND POWER COMPANIES.

[A-54] An Act Providing a Tax Upon Electric Light and Power Companies Operating as Public Utilities.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 2146.] Section 1. [Electric light and power companies, tax on.] Every person operating in the Territory an electric light or power business as a public utility, whose franchise does not provide for the payment of a tax to the county in which such public utility operates based upon the gross receipts of such person from all electric light or power furnished to consumers during each calendar year, shall file with the treasurer of such county, within one month after the expiration of each calendar year, a detailed statement showing all such receipts during the preceding calendar year, and shall, at the same time pay to such treasurer, for and on behalf of such county, in addition to any and all other payments required to be made by law, two and one-half per centum (2½%) of the gross receipts of such person from all electric light

or power furnished to consumers during the preceding calendar year; and all books, papers, records and accounts of such person shall at all reasonable times be open to inspection by the treasurer of such county, or his respective agents appointed for such purpose.

[**Sec. 2147.**] Section 2. [**Saving clause.**] If any portion, sentence, clause or phrase of this Act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act. The Legislature hereby declares that it would have approved this Act and each portion, sentence, clause, and phrase thereof, irrespective of the fact that any one or more of the portions, sentences, clauses, or phrases be declared unconstitutional or invalid. If the application of any provision of this Act to any person or circumstances is held invalid, the application of such provision to other persons or circumstances shall not be affected hereby.

Section 3. This Act shall take effect from and after its approval.

(Approved April 28, 1937. H.B. 449, Act 105.

CHAPTER 70. SPECIFIC TAXES.

MOTOR VEHICLE WEIGHT TAX.

[**A-55**] An Act to Amend Chapter 70 of the Revised Laws of Hawaii 1935, Relating to the Registration, Identification and Regulation of Certain Vehicles, and Providing for Certain Taxes With Respect Thereto.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 70 of the Revised Laws of Hawaii 1935 is hereby amended by amending Section 2157 therein to read as follows:

"Sec. 2157. Weight tax. 1. Except as otherwise provided in this section, the following described vehicles shall be subject to an annual tax, computed according to the net weight of each vehicle in the manner hereinafter provided, to be paid by the owners thereof, which tax shall be collected by the treasurer or his deputy, and shall become due and payable on January 1 and must be paid before March 1, in each year:

(a) Motor vehicles designed solely for carrying passengers, which classification shall include automobiles, busses, ambulances and hearses, one-half of a cent ($\frac{1}{2}\text{¢}$) per pound of such net weight;

(b) Motor vehicles and other vehicles designed for carrying property or for purposes other than the carriage of passengers,

including trucks, truck tractors and road tractors, trailers and semi-trailers, one cent (1¢) per pound of such net weight.

As used in this section and unless different meaning appears from the context, the following terms shall have the following respective meanings:

(1) 'Vehicle' shall mean every device in, upon or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks;

(2) 'Motor vehicle' shall mean every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails;

(3) 'Truck' shall mean any motor vehicle designed or used primarily for the carriage of property other than effects of the driver or passengers, and includes a motor vehicle to which has been added a box, platform or other equipment for such carriage;

(4) 'Net weight' of a vehicle shall mean the actual weight of each vehicle, as determined on a standard scale, with all equipment and accessories ordinarily attached to and used on the same. In the case of a motor vehicle, it shall include the maximum fuel, oil and water possible of being carried for the operation of the same;

(5) 'Treasurer' shall mean the treasurer of each county or of the county concerned, and shall include his duly authorized deputies and subordinates.

2. Tax for fractions of years; removal from Territory; junked vehicles; non-resident-owned vehicles temporarily in Territory.

Whenever it shall be made to appear to the treasurer, that any vehicle taxed under this section has been acquired subsequent to January 1 of the current year by the person seeking to register the same, and such vehicle is not subject to unpaid taxes for the same or any prior year under this section, the tax to be paid thereon shall be as herein provided, less eight and one-third per centum of such tax for each month of the then calendar year which shall have elapsed at the date the vehicle was acquired; provided:

(a) That any such vehicle owned and brought into the Territory for temporary use therein by a non-resident of the Territory shall be exempt from the provisions of this chapter relative to the payment of taxes and display of number plates for a period of three months from the date of entry of such vehicle into the Territory, if such non-resident has complied with the law of the state or country of his domicile relative to the payment of taxes and registration, and shall display on such vehicle the number plates for the current year required by the law of such state or country; and

(b) That if any owner of a vehicle upon which has been paid an annual tax hereunder intends to remove from the Territory the vehicle on which the tax has been paid and not bring it back to

the Territory during the same calendar year, or if he permanently junks such vehicle during the calendar year for which such tax has been paid, he shall, upon presenting to the treasurer a signed and sworn certificate stating, (1) in the case of such intended removal from the Territory, such intention, the date of intended shipment of the vehicle, the name of the steamer or vessel by which the shipment is intended, or (2) in the case of junking, the fact of such junking, together with such other relevant facts as may be required by the treasurer, and upon surrender of his license plates, become entitled to a refund of a portion of the tax, computed at the rate of eight and one-third per centum of the annual tax for each integral month remaining in such calendar year (1) after such intended removal, or (2) after such junking, or (3) after such surrender of license plates, whichever is the later; and from the date of the surrender of such license plates as aforesaid, such vehicle, in the case of such intended removal, shall, except for the purpose of driving the same to the place of embarkation, be deemed an unlicensed vehicle, and shall, during such calendar year, be permitted to be operated in the Territory only upon payment to the treasurer of the entire amount of the tax refunded as aforesaid.

3. Exemptions. All new vehicles, otherwise taxable under this section, in stock for purposes of sale shall, for a period of three months only, and all publicly owned vehicles and all motor vehicles and motorcycles owned by police officers of the Territory or of any county and actually used by them in their travel on official business, shall be exempt from the tax herein provided for, and number plates for all such vehicles or such motorcycles may be issued as now and hereafter provided by ordinance of the county.

4. Number plates. Upon receipt of the tax the treasurer shall number and register the vehicle in the owner's name in a permanent record or book to be kept by him for this purpose, and shall furnish the owner thereof with a receipt which shall show upon its face the license number of the vehicle, and shall state the fact that the tax has been paid thereon for the whole or the remainder of the current year in which the receipt is issued. The treasurer shall also furnish the owner with two number plates for the vehicle with the number and year marked thereon, charging therefor in addition to the tax the sum of One Dollar (\$1.00). The owner shall attach the number plates to the vehicle, one on the front and the other on the rear thereof, which number plates shall be securely fastened to the vehicle in such manner as to prevent the number plates from swinging and at a minimum of sixteen inches from the ground. All such plates shall at all times be displayed entirely unobscured and be kept reasonably clean. In the case of trailers, semi-trailers or motorcycles, but one plate shall be used and it shall

be fastened to the rear thereof. After the initial payment of the tax herein specified, a motor vehicle shall not be required to be re-weighed in any succeeding year, unless the same has been so altered or changed as to increase or diminish the weight thereof. The treasurer shall immediately notify the sheriff or chief of police of the county of numbers issued by him with a general description of the vehicle and the name and address of the owner to whom issued. Such sheriff or chief of police shall record such numbers, description of vehicles and names and addresses of the owners to whom the numbers are issued in a permanent record or book to be kept by him for this purpose.

5. Duplicates for lost or damaged plates. In the event any registration plate issued for any vehicle under this section is lost, mutilated or becomes illegible, the owner of such vehicle shall immediately make application for and obtain a duplicate or substitute, or new registration plates under a new registration number, as may be determined by the treasurer to be most advisable, for which a fee of One Dollar (\$1.00) shall be paid to the treasurer.

6. Character of number plates; furnishing by counties. The number plates hereinabove referred to and as hereinafter described shall be uniform throughout the Territory and shall be used on all vehicles upon which a tax is paid pursuant to this section. All such number plates shall bear the word 'Hawaii', shall be of different color or shade each year with a distinct contrast between the color of the plates and the numerals and letters thereon, and shall be of such size, shape and color, and with such arrangement of letters and numerals as may, subject to the provisions of this section, be determined by the secretary of the Territory. On or before October 1, the secretary shall annually notify the treasurers of the respective counties of his determination in regard to the size, shape, color and arrangement of letters and numerals of such plates and the numbers to be used in each county. The numerals on all such number plates shall be not less than four inches in height and the strokes thereof not less than one-half inch in width, except in the case of motorcycles, in which case such numerals shall be not less than one inch in height and the strokes thereof not less than one-eighth inch in width. It shall be the duty of the board of supervisors of each county to purchase a sufficient number of such plates for use therein.

7. Delinquent penalties; seizure and sale for tax. Any tax imposed by this section for any year and not paid before March 1 of such year, or at any subsequent date when due, shall become delinquent and a penalty of ten per centum thereof shall be added to, and become a part of, the delinquent tax. Any vehicle not having

the number plates required by this section, or any vehicle upon which taxes are delinquent as hereinbefore provided, may be seized, wherever found, by the treasurer, or by any sheriff, deputy sheriff or police officer, and held for a period of ten days, during which time the vehicle shall be subject to redemption by its owner by payment of the taxes due, together with the delinquent penalties and the cost of storage and other charges incident to the seizure of the vehicle. The treasurer, sheriff, deputy sheriff or police officer shall be deemed to have seized and taken possession of any vehicle as aforesaid, after having securely sealed same where located and posted a notice upon such vehicle, setting forth the fact that the same has been seized for taxes and warning all persons from molesting same under penalty provided by this section. Any person molesting or disturbing such seized vehicle shall be guilty of a misdemeanor. All vehicles so seized and sealed shall remain at the place of seizure or at such other place as the treasurer may direct, at the expense and risk of the owner. If the owner of such vehicle shall fail to redeem the same within ten days after seizure, the vehicle may be sold by the treasurer at public auction to the highest bidder for cash, after giving ten days' public notice thereof in a newspaper of general circulation published in the county, or by posting notices thereof in at least three public places in the district where the vehicle was seized. The amount realized at the sale, less the amount of the tax and penalty due, together with all costs incurred in advertising, storing and selling the same and all other charges incident to the seizure and sale, shall be paid to the owner of the vehicle. If no claim for the surplus shall be filed with the treasurer within sixty days from the date of the sale, the surplus shall be paid into the county treasury as a government realization and all claim to such sum shall thereafter be forever barred.

8. Fraudulent use of plates and other misdemeanors; penalties.

Any person who shall attach to and use on any vehicle plates not furnished in accordance with the provisions of this section, or who shall fraudulently use such number plates upon any vehicle other than the one for which the number plates were issued, or who shall molest or disturb any vehicle which has been seized pursuant to this section, or any person knowingly using a motor vehicle, the tax upon which is delinquent, upon public highways of this Territory, or any treasurer who shall issue a certificate of registration or number plates to any person who has not paid the tax required by this section, or any person who shall violate any of the provisions of this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by fine not exceeding five hundred dollars (\$500.00)." [L. 1896, c. 51, s. 8; am. L. 1905, c. 89, s. 3; am. L. 1909, c. 136, s. 1; am. L. 1911, c. 146, s. 5; am.

L. 1917, c. 135, s. 1; am. L. 1921, c. 198, s. 1; am. L. 1925, c. 180, s. 1; am. L. 1927, c. 172, s. 1; am. L. 1927, c. 246, s. 1; am. L. 1932, 1st, c. 1, pt. of s. 1; am. L. 1933-34, c. 14, s. 1; R. L. 1935, s. 2157; am. L. 1937, c. 214, s. 1.]

Section 2. **Section 2152** of the Revised Laws of Hawaii 1935 is hereby repealed.

Section 3. If any portion of this Act, or its application to any person or circumstances, shall be held unconstitutional or invalid, the remainder of said Act, or the application of said Act, or portion thereof, to other persons or circumstances shall not be affected thereby.

Section 4. The amendments made by this Act shall not be deemed to change the theory of taxation upon which said section 2157 was based prior to its amendment by this Act.

Section 5. This Act shall take effect on January 1, 1938.

(Approved May 15, 1937.) **H.B. 8, Act 214.**

Title X.

TREASURY.

CHAPTER 72.

BANK EXAMINER.

[A-56] An Act to Amend Chapter 72 of the Revised Laws of Hawaii 1935, as Amended by Act 171 of the Session Laws of 1935, Relating to the Powers and Duties of the Bank Examiner.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby amended by amending section 2222 thereof to read as follows:

"Sec. 2222. Inspection; examination; duties. Every bank, trust company, building and loan association, fiduciary company, industrial loan and investment company or licensee under the Small Loan Act doing business in the Territory, excepting the national banks, shall be subject to the inspection of the bank examiner. The bank examiner or a duly appointed examiner shall visit every such bank, company, association, or licensee in every calendar year unless otherwise provided by law and whenever the bank examiner shall deem it necessary or expedient, and make a complete and

careful examination of the condition and resources of such bank, company, association, or licensee, the mode of managing its or his business and conducting its or his affairs, the action of its officers and directors, if a corporation, in the investment, management, and disposition of its funds, the disposition of funds and securities entrusted to it or him in any fiduciary capacity, the safety and prudence of its or his management, its or his policy of transacting business, the security afforded to persons dealing therewith, and whether such bank, company, association, or licensee is complying with the laws of the Territory.

The bank examiner shall keep in his office proper records showing the acts, matters and things by him done under the provisions of this chapter." [L. 1913, c. 78, s. 3; am. L. 1931, c. 148, s. 1; R. L. 1935, s. 2222; am. L. 1937, c. 230, s. 1.]

Section 2. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby further amended by amending section 2224 thereof to read as follows:

"Sec. 2224. Illegal or unsafe practices; order directing discontinuance. When it shall appear to the bank examiner from any examination or report that any bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the Small Loan Act has committed any violation of the law, or is conducting its or his business in an unsafe or unauthorized manner, he shall, by an order in writing, direct the discontinuance of such illegal or unsafe or unauthorized practices and enforce strict conformity to the requirements of the law.

If any bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the said Small Loan Act shall fail to comply with such order within the time therein specified, then the bank examiner may, and he is empowered to, exercise such supervision, control and management over such bank, company, association, or licensee, and its officers and its or his affairs and business as he may deem necessary for the public welfare; and further, if deemed so necessary by him, he may invoke the powers granted him in section 2231, providing for the appointment of a receiver, the provisions of which are extended and made applicable thereto." [L. 1931, c. 148, s. 2; R. L. 1935, s. 2224; am. L. 1937, c. 230, s. 2.]

Section 3. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of Hawaii 1935, is hereby further amended by amending section 2225 thereof to read as follows:

"Sec. 2225. Appraisal of assets by bank examiner; payment of cost. When a bank, trust company, building and loan association,

fiduciary company, industrial loan and investment company, or licensee under the Small Loan Act shall have been examined by an examiner and he finds securities therein or held thereby in any fiduciary capacity which are, in his judgment, of doubtful value, he shall report the same to the bank examiner, who thereupon shall be authorized to investigate and appraise or have appraised such securities at the expense of the bank, company, association, or licensee examined. The bank examiner, if he finds in examining any bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the said Small Loan Act, that it or he is conducting its or his business or the business of others entrusted to it or him in any fiduciary capacity in an unsafe or unauthorized manner, may, in his discretion, or if requested to do so by any bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the said Small Loan Act, make an audit of the affairs of such bank, company, association, or licensee. The compensation for making such audit shall be paid by the bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the said Small Loan Act at the same per diem and expenses as allowed examiners." [L. 1913, c. 78, s. 5; am. L. 1931, c. 148, s. 3; R. L. 1935, s. 2225; am. L. 1937, c. 230, s. 3.]

Section 4. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby further amended by amending section 2226 thereof to read as follows:

"Sec. 2226. Special examination; extra services; payment of cost. Whenever, in the judgment of the bank examiner, the condition of any bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the Small Loan Act renders it necessary or expedient to make an extra examination or to devote any extraordinary attention to its or his affairs, the bank examiner shall have authority to make any and all extra or necessary examinations and to devote any necessary extra attention to the conduct of its or his affairs, and such bank, company, association, or licensee shall pay for all such extra services rendered by the bank examiner at the actual per diem cost and expenses of each man who may be engaged in such special service at the direction of the bank examiner." [L. 1913, c. 78, s. 6; am. L. 1931, c. 148, s. 4; R. L. 1935, s. 2226; am. L. 1937, c. 230, s. 4.]

Section 5. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby further amended by amending section 2230 thereof to read as follows:

"Sec. 2230. Semi-annual and special reports; publication; penalty. Every bank, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the Small Loan Act shall submit to the bank examiner semi-annual reports as of June 30 and December 31. The reports shall be filed within thirty (30) days after such dates. Such reports shall be made in the form prescribed by the bank examiner and shall show the assets and liabilities, all losses sustained, expenses and taxes paid, gross earnings and profits, losses recovered since last reported, payments made by stockholders and all amounts carried to surplus, undivided profits or dividends paid.

Every such bank, association, licensee or company shall furnish to the bank examiner such special or supplementary reports, covering all or any of the items or matters or classes thereof which are or might be required to be covered by a semi-annual report, in such form, at such time or times, and within such reasonable period or periods after request therefor, as the bank examiner shall deem necessary or expedient in the interest of the public and shall require in writing.

Every bank, trust company, building and loan association, fiduciary company, or industrial loan and investment company shall publish in the English language on or before the last Monday of January and July in every year, a statement of its assets and liabilities as of December 31 and June 30, respectively, in a form prescribed by the bank examiner, or as soon thereafter as circumstances will permit.

Failure of any bank, banker, trust company, building and loan association, fiduciary company, industrial loan and investment company, or licensee under the said Small Loan Act to make and submit any of the reports required by this section shall subject such bank, banker, company, association, or licensee to a penalty of ten dollars (\$10.00) for each day such reports are delayed beyond the time allowed by this section." [L. 1913, c. 78, s. 10; am. L. 1931, c. 148, s. 5; R. L. 1935, s. 2230; am. L. 1935, c. 171, s. 1; am. L. 1937, c. 230, s. 5.]

Section 6. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby further amended by amending section 2231 thereof to read as follows:

"Sec. 2231. Receiver; application for, appointment; duties. If the bank examiner shall become satisfied that the capital of any corporation subject to the inspection of the bank examiner has become impaired or reduced below the amount required by law, and such impairment or reduction shall not have been made good as by him required, or if the examiner shall have become satisfied that any such corporation or any person, firm, association or co-part-

nership subject to the inspection of the bank examiner is conducting its or his business in an unsafe or unauthorized manner so that the continuance of its or his business would be hazardous to the public, or those having funds in its control, or if any such corporation, person, firm, association or co-partnership has violated any of the provisions of this chapter or of any other law relating thereto, or if any such corporation, person, firm, association or co-partnership shall refuse to submit its or his books and papers and concerns to the inspection of the bank examiner, or his deputy, or if any officer of such corporation, person, firm, association or co-partnership shall unreasonably delay or refuse to be examined under oath, touching the affairs and condition of such corporation, person, firm, association or co-partnership, or if from any examination made, or report in this chapter provided for, the bank examiner shall conclude that such corporation, person, firm, association or co-partnership is in an unsound or unsafe condition to transact its or his business so that it is unsafe and inexpedient to continue the same, the bank examiner shall communicate such facts to the governor, and with his concurrence, application may be made by the attorney general, on behalf of the bank examiner, to a judge or court of competent jurisdiction for the appointment of a receiver.

Upon presentation of such application and upon it being made to appear that any of the facts herein enumerated, as a ground for the application for a receiver exists, the court or judge shall immediately appoint a competent person as receiver and shall determine his bond and prescribe his duties and may make such further order as shall seem proper; provided, that pending such action, it shall be the duty of the bank examiner immediately to take such control of such corporation and all of its property and assets and the property and assets of any such person, firm, association or co-partnership as may be necessary to prevent waste or diversion of assets, and to hold possession of the same pending said action. Such property and assets, while in his possession, shall not be subject to any levies and attachments.

The receiver, if any be appointed, shall, under the direction of the court, take possession of the books, records and assets of every description of such corporation, person, firm, association or co-partnership, collect all debts, dues and claims belonging to it or him and sell or compound all bad or doubtful assets, and sell all the real and personal property of such corporation, person, firm, association or co-partnership on such terms as the court shall direct, and may, if necessary to pay the debts of any such corporation, enforce all individual liabilities of stockholders, and shall make a report to the court and bank examiner of all his acts and proceedings. The compensation of such receiver, which shall be not more than fifteen dollars per day, shall be fixed by the court and shall, together with

the expenses of the receivership, be paid out of the assets of the corporation, person, firm, association or co-partnership or the moneys collected by the receiver." [L. 1915, c. 127, s. 1; R. L. 1935, s. 2231; am. L. 1937, c. 230, s. 6.]

Section 7. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby further amended by adding thereto a new section to be numbered section 2233 and to read as follows:

"Sec. 2233. Bank examiner not to divulge information. Neither the bank examiner, nor his deputies, nor any other person appointed by the bank examiner as provided by law, shall divulge any information acquired by them in the discharge of their official duties, except insofar as the same may be rendered necessary by law, or may be requisite to the execution of the powers vested in and duties required of the said bank examiner, or under order of any court, or in any suit or action commenced under the provisions of any law regulating banks, trust companies, building and loan associations, fiduciary companies, industrial loan and investment companies, or commenced under the provisions of the Small Loan Act, or in any suit, action or proceedings in which the treasurer of the Territory or the bank examiner or the deputy bank examiner is a party; or in any criminal action or proceedings; provided, however, that the bank examiner may furnish reports of condition of banks, trust companies, building and loan associations, industrial loan and investment companies or licensees under the Small Loan Act to the Federal Reserve Board, the Federal Home Loan Board or the Federal Home Loan Bank or any of its agencies, or to any other federal agency or to the several states or any officer or agency or instrumentality thereof; and, provided, further, that the bank examiner may cause to be published in the English language in a paper of general circulation in the Territory a combined statement of the statements of conditions of banks, trust companies, building and loan associations, industrial loan and investment companies and licensees under the Small Loan Act in such form as he may see fit, using information derived from reports made to him by the respective banks, trust companies, building and loan associations, industrial loan and investment companies and licensees under the Small Loan Act.

Any bank examiner, deputy bank examiner, or any other person appointed by the bank examiner as provided by law who shall be guilty of violating this section shall be immediately discharged."

Section 8. Chapter 72 of the Revised Laws of Hawaii 1935, as amended by Act 171 of the Session Laws of 1935, is hereby further amended by adding thereto a new section to be numbered section 2233-A and to read as follows:

"Sec. 2233-A. [Additional examinations, costs of.] Whenever the bank examiner shall have reason to believe that any person, firm, association, corporation, co-partnership, society or company is so conducting its or such a business as to make the same subject to any of the provisions of this chapter, or subject to the provisions of any law requiring inspection of its or his records or affairs or supervision or regulation of its or his business by the bank examiner, then the bank examiner, his deputy or any examiner appointed by him may make an examination in accordance with the provisions of this chapter, of the books, records and accounts of any such person, firm, association, corporation, co-partnership, society or company.

The bank examiner, his deputy or any examiner by him appointed shall have the power when making such examinations to examine any such person or the members or employees of any such firm, association, co-partnership or society or the officers or employees of any such corporation or the agents of any such person, firm, association, corporation, co-partnership, society or company on oath, and for such purpose is authorized to administer oaths, and may order and cause to be produced any of such persons, members, officers, employees or by agents so examined, all books of accounts, papers, documents and securities under his or their possession or control.

Should the bank examiner find that any such person, firm, association, corporation, co-partnership, society or company is conducting its or such a business as to make the same subject to the inspection of the bank examiner, the actual per diem cost and expenses of each man who may be engaged in such examination shall be paid by the person, firm, association, corporation, co-partnership, society or company examined."

Section 9. This Act shall take effect upon its approval.

(Approved May 17, 1937.) S.B. 243, Act 230.

Title XI. COUNTIES— GENERAL.

CHAPTER 77. EMINENT DOMAIN.

[Sec. 2300. Purposes for taking property. Amended by Section 6, Act 184, supra, page 4.]

CHAPTER 79. HIGHWAYS, SIDEWALKS, PARKS; USE OF STREETS, ETC.

MAPS, MILE STONES, GUIDEPOSTS, NAMES.

[B-57] An Act to Amend Section 2355 of the Revised Laws of Hawaii 1935, Prescribing a Penalty for Malicious Removal or Injury to Mile Boards, Mile Stones, Guide Boards, Guide Posts and Other Markers.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 2355 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“Sec. 2355. Penalty for injuring. Whoever maliciously removes or injures any mile board or mile stone, or guide board or guide post, or any marker indicating the location of any place of historic or scenic interest, or any inscription on such, erected on any public highway or at or near any place of historic or scenic interest, whether erected by or under the direction of any board of supervisors, or by or under the direction of any civic body or organization, shall be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding one hundred dollars.” [L. 1892, c. 47, ss. 23, 26; R. L. 1935, s. 2355; am. L. 1937, c. 96, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) S.B. 235, Act 96.

FATHER DAMIEN MEMORIAL.

[B-58] An Act to Amend Act 38 of the Session Laws of Hawaii 1935, Relating to the Public Memorial to Father Damien at Kalawao, Molokai, to Provide for Continuous Availability of Unexpended Appropriation.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 2 [Sec. 2396] of Act 38 of the Session Laws of Hawaii 1935, is hereby amended by deleting from the second

and third lines of said section the following: "for the biennial period ending June 30, 1937".

Section 2. This Act shall take effect upon its approval.

(Approved April 10, 1937.) **H.B. 149, Act 20.**

CHAPTER 80. LICENSES.

DETECTIVES; PRIVATE.

[**B-59**] An Act to Forbid the Use by Certain Persons of Any Uniform or Badge the Appearance of Which Shall Simulate Those Worn by the Police Forces of Honolulu or of the Counties, and Fixing a Penalty for Such Use.

Be it Enacted by the Legislature of the Territory of Hawaii:

[**Sec. 2446A.**] Section 1. [**Restrictions on appearance of uniform and badge.**] No person licensed to do business as a private detective under **Sections 2443 and 2444** of the Revised Laws of Hawaii 1935, nor any person employed by him in connection with said business, shall wear any uniform or badge which shall simulate the appearance of the uniforms or badges worn by the police of Honolulu or of the several counties.

[**Sec. 2446B.**] Section 2. [**Penalty.**] Any person violating the provisions of section 1 of this Act shall upon conviction thereof be punished by a fine of not more than five hundred dollars (\$500.00).

Section 3. This Act shall take effect upon its approval.

(Approved April 29, 1937.) **H.B. 151, Act 114.**

FISH TRAPS, POUNDS AND WEIRS.

[**B-60**] An Act to Amend Section 2469 of the Revised Laws of Hawaii 1935, Relating to License to Operate Fish Trap.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 2469** of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto the following paragraph:

"No citizen of the United States fishing solely for his own home consumption, who does not sell any part of his catch, shall be re-

quired to pay any license fee for the placing, setting or operation of fish traps. Provided, however, such citizen shall be required to register as such operator of fish traps with the treasurer of any county or city and county in which he resides."

Section 2. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **H.B. 426, Act 188.**

CHAPTER 82. INTOXICATING LIQUOR.

[B-61] An Act to Amend Chapter 82 of the Revised Laws of Hawaii 1935, Relating to Intoxicating Liquor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 82 of the Revised Laws of Hawaii 1935, as amended by Act 105 of the Session Laws of Hawaii 1935, is hereby further amended by amending the sections thereof which are hereinafter mentioned, in the manner and form hereinafter set forth.

Section 2. **Section 2570:** (a) by deleting therefrom the paragraphs defining "Guest", "Meal", "Hotel", "Interdicted person" and "Restaurant"; and

(b) by amending the definition of "Club" to read as follows:

"'Club' means any organization for objects of a social, patriotic, political or athletic nature, or the like, but not for pecuniary gain, having a regular membership to all of whom is charged monthly or quarterly dues, employing a full time steward, and from which organization no person is entitled to or takes, directly or indirectly, any share of the profits thereof. 'Club' also means the establishment so operated and the premises thereof; provided, however, that the word 'Club' shall not apply to any organization not in existence for at least two years prior to its application for a license."

Section 3. **Section 2571:** by deleting from the second paragraph the words "for the purposes of resale within the Territory".

Section 4. **Section 2572:** by amending the first paragraph thereof to read as follows:

"Sec. 2572. County liquor commissions. There shall be appointed for each county, in the manner prescribed by section 80 of the Organic Act, a commission to be known as the liquor commission, one of whom shall be designated by the governor as chairman, and not more than a majority of whom on any commission

shall be of the same political party. Each member shall be a citizen of the United States and shall have resided in the county for which appointed for at least three years. The commission for the city and county of Honolulu shall consist of five members, appointed, one for a term to expire on December 31, 1937, one for a term to expire on December 31, 1938, one for a term to expire on December 31, 1939, one for a term to expire on December 31, 1940, and one for a term to expire on December 31, 1941; thereafter every appointment shall be made for a term of five years, commencing from the date of the expiration of the last preceding term. The commissions for the other counties shall consist of three members, appointed, one for a term to expire on December 31, 1937, one for a term to expire on December 31, 1938, and one for a term to expire on December 31, 1939; thereafter every appointment shall be made for a term of three years, commencing from the date of the expiration of the last preceding term. Any vacancy shall be filled by appointment for the remainder of the unexpired term. No person shall be a member of any commission who is or becomes engaged, or is directly or indirectly interested, in any business for the manufacture or sale of liquor or who advocates or is or becomes a member of, or is identified or connected with, any organization or association which advocates prohibition, or who serves as an officer or committee member of any political party organization or who presents himself as a candidate for election to any public office. This provision shall be enforced by the governor by the removal of the disqualified member whenever such disqualification shall appear."

Section 5. **Section 2577:** (a) by inserting, after the word "manufacture" in paragraphs numbered 1. and 2., a "comma" and the word "importation";

(b) by amending paragraph numbered 4. to read as follows:

"4. To appoint and at pleasure remove a secretary, (who may also be appointed an inspector), and such inspectors and clerical or other assistants as its business may from time to time require, to prescribe their duties and fix their compensation; to engage the services of experts and persons engaged in the practice of a profession, if deemed expedient. Every inspector shall, within the scope of his duties, have the powers of a police officer. No employee of any commission shall, aside from exercising the right to vote, support, advocate or aid in the election or defeat of any candidate for public office, and upon satisfactory proof of such prohibited activity the offender shall be summarily dismissed."

(c) by adding to paragraph numbered 7. the following:

"provided, however, that manufacturers and wholesale dealers shall make no sales after six p. m., except on Saturdays and holidays, on which days they shall make no sales after seven-thirty p. m.;"
and

(d) by adding, after paragraph numbered 9., the following :

“10. To prescribe, by rule and regulation, the terms, conditions and circumstances under which persons or any class of persons may be employed by holders of dispensers’ licenses;”.

Section 6. Section 2580: by amending the same to read as follows :

“**Sec. 2580. Licenses, classes.** Licenses may be granted by the commission as follows :

“Class 1. **Manufacturers’ licenses.** A license for the manufacture of liquor shall authorize the licensee to manufacture the liquor therein specified and to sell the same at wholesale in original packages to any person who holds a license to resell the same. Under this license no liquor shall be consumed on the premises except as authorized by the commission. Of this class there shall be the following kinds: (a) beer; (b) wine; (c) wine manufactured from grapes or other fruits grown in the Territory; (d) alcohol; (e) other specified liquor. It shall be unlawful for any holder of a manufacturer’s license to have any interest whatsoever in the license or licensed premises of any other licensee.

“Class 2. **Agents’ licenses.** Any agent’s license shall be of a general kind whereby the licensee may sell all liquors except alcohol. Under this license the licensee is authorized (a) to sell only as an agent of manufacturers of liquors and (b) to sell such liquors only to persons holding wholesale dealers’ licenses. Under this license it shall be unlawful for the licensee to own or have control over any liquors within the Territory for sale. No agent’s license shall be issued to an individual unless he shall have been a resident of the Territory, nor to a corporation unless it shall have been authorized to do business in the Territory, for at least six months prior to the application for such license.

“Class 3. **Wholesale dealers’ licenses.** A license for the sale of liquors at wholesale shall authorize the licensee to import and sell only to licensees or to others who are by law authorized to re-sell but are not by law required to hold a license the liquors therein specified in quantities not less than five gallons at one time if sold from or in bulk containers or not less than one gallon if bottled goods. Under such license no liquor shall be consumed on the premises except as authorized by the commission. Of this class there shall be the following kinds: (a) general (includes all liquors except alcohol); (b) beer and wine; (c) alcohol. Should any wholesale dealer solicit or take any orders in any county other than that where his place of business is located, such orders may be filled only by shipment direct from the county in which such wholesale dealer has his license, or by direct shipment from outside the Territory on indent orders.

"Class 4. **Retail dealers' licenses.** A license to sell liquors at retail shall authorize the licensee to sell the liquors therein specified in their original packages in quantities less than five gallons at one time. Under such license no liquor shall be consumed on the premises except as authorized by the commission. Of this class there shall be the following kinds: (a) general (includes all liquors except alcohol); (b) beer and wine; (c) alcohol.

"Class 5. **Dispensers' licenses.** A dispenser's license shall authorize the licensee to sell liquors therein specified for consumption on the premises. Of this class there shall be the following kinds: (a) general (includes all liquors except alcohol); (b) beer and wine; (c) beer.

"Class 6. **Club licenses.** A club license shall be general only (but excluding alcohol) and shall authorize the licensee to sell liquors to members of the club and to guests thereof enjoying the privileges of membership, for consumption only on the premises kept and operated by such club, and shall also authorize any bona fide club member to keep in his private locker on such premises a reasonable quantity of liquor, if owned by himself, for his own personal use and not to be sold, and which may be consumed only on the premises.

"Class 7. **Vessel licenses.** A general license may be granted to the owner of any vessel performing a regular water transportation passenger service between any two or more ports in the Territory for the sale of liquor (other than alcohol) on board such vessel while in the waters of the Territory; provided such sales be made only while such vessel is enroute, and only for consumption by passengers on board. If such vessel has a home port in the Territory the license shall be issuable in the county wherein such home port is situated, otherwise in the city and county of Honolulu. If on any vessel for which no license has been obtained under this chapter any liquor shall be sold or served within three miles of the shore of any island of the Territory the same shall constitute a violation of this chapter.

"Class 8. **Special.** A special license may be granted for the sale of beer for a period not to exceed three days, by the glass only, on any occasion and under such conditions as may be approved by the commission." [L. 1933-4, c. 40, s. 11; R. L. 1935, s. 2580; am. L. 1935, c. 105, ss. 6-8; am. L. 1937, c. 211, s. 6.]

Section 7. Section 2581: by amending the same to read as follows:

"**Sec. 2581. License fees.** The fees for licenses of the several classes and kinds shall be as follows, the same being per annum except where otherwise specified:

Class.	Kind.	Fees for District of Honolulu.
1. Manufacturers (including rectifiers)	(a) Beer	\$300.00
	(b) Wine	300.00
	(c) Wine manufactured from grapes or other fruits grown in the Territory.....	48.00
	(d) Alcohol	150.00
	(e) Other liquors	480.00
2. Agents	(a) General	180.00
3. Wholesale	(a) General	900.00
	(b) Beer and wine.....	240.00
	(c) Alcohol	24.00
4. Retail	(a) General	420.00
	(b) Beer and wine.....	180.00
	(c) Alcohol	12.00
5. Dispensers	(a) General	840.00
	(b) Beer and wine.....	300.00
	(c) Beer	180.00
6. Club		120.00
7. Vessel		60.00
8. Special, per day		5.00

The fees for all classes of licenses except dispensers' shall be the same outside the district of Honolulu as for the district of Honolulu. The fees for dispensers' licenses outside the district of Honolulu shall be one-half of the fees for the district of Honolulu, except in places where within a radius of two miles therefrom there is a population of less than one thousand persons, in which instances the fees for dispensers' licenses shall be one-third of the fees for the district of Honolulu." [L. 1933-4, c. 40, s. 12; R. L. 1935, s. 2581; am. L. 1935, c. 105, s. 9; am. L. 1937, c. 211, s. 7.]

Section 8. **Section 2582** is hereby repealed.

Section 9. Section 2583: by amending the same to read as follows:

"Sec. 2583. Special conditions, club licenses. Whenever the commission shall be of the opinion that any holder of a club license is not conducting the business under such license in good faith, or that the premises thereof are not continuously kept suitably arranged, furnished, equipped and actually and reputably operated as a club, or that the apparent or claimed manner of operation of the club as such is only nominal or pretended or amounts

to a sham or subterfuge under which liquor is being sold as the principal object of the club, the license may be summarily suspended pending a hearing why it should not be revoked." [L. 1933-4, c. 40, s. 14; R. L. 1935, s. 2583; am. L. 1937, c. 211, s. 9.]

Section 9-A. **Section 2584:** by adding at the end thereof the following:

"It shall be unlawful for any person holding a retail dealer's license to sell any liquor under such license at any price less than the locally prevailing retail price."

Section 10. **Section 2587:** by adding thereto, at the end thereof, the following:

"provided, however, that the fee for an agent's license, regardless of when the same is issued, shall be the full amount of the annual fee."

Section 11. **Section 2588:** (a) by deleting from the eleventh and twelfth lines the following: "(a) the printing and other necessary preliminary expenses incident to its organization, and (b)";

(b) by substituting for the words "January 10 following" in the fourth from the last line the words "the tenth day of each July, October, January and April", and

(c) by substituting for the words "receipts during such succeeding calendar year", in the last two lines, the words "future receipts".

Section 12. **Section 2593:** by adding thereto the following new paragraphs:

"4. To sell any liquor at wholesale prices without invoicing the vendee's license number, except where the vendee, although authorized to re-sell, is not required by law to hold a license, in which case the invoice shall fully indicate such vendee's identity;

"5. To sell, under any retail license which he may also hold, any liquor to a non-licensee at any price less than the locally prevailing retail price thereof."

Section 13. **Section 2594:** by adding at the end of the first paragraph the following proviso:

"provided, that such premises shall bear no exterior or interior advertising visible from the street other than the name of the establishment, the type of license held by it, and the display of the merchandise sold under such license."

Section 14. **Section 2598:** by deleting from paragraph numbered 2. thereof the clause following the "semi-colon" in the third line of said paragraph.

Section 15. **Section 2600:** by deleting the paragraph numbered 3. thereof, and by changing the numbers of the following paragraphs of said section accordingly.

Section 16. **Section 2605:** by deleting the last paragraph thereof.

Section 17. There is hereby added to said chapter 82 a new section to be numbered section 2605-A, to read as follows:

"Sec. 2605-A. Reduction or increase in area of licensed premises. The commission may, in its discretion, permit the reduction or the increase in the area of the licensed premises of any licensee, provided, however, that no increase shall be in excess of twenty-five per centum of the area of the original licensed premises. Whenever any reduction or increase is permitted, the same shall be endorsed in some appropriate manner upon the license."

Section 18. **Section 2609:** by adding at the end thereof the following:

"In addition to the foregoing requirements, all such labels shall conform in all respects to the then existing federal laws and regulations regarding such labels."

Section 19. **Section 2617:** (a) by amending paragraph 1 (b) thereof to read as follows:

"(b) Be sold or delivered on Sundays, or on election days during the hours election booths are open for voting, provided, that the commission may, by rule or regulation, and during such hours and under such terms, restrictions and classifications as it may therein prescribe, permit clubs and dispensers to sell liquors, and permit the delivery or shipment of draught beer, on such days;"

(b) by adding to paragraph 1 (c) thereof the following: "or to any person for consumption in any vehicle on the licensed premises;"

(c) by adding after paragraph 1 (d) thereof the following:

"(e) Be sold or served by any minor upon any licensed premises;"

(d) by deleting from paragraph 2 (a) thereof the words "or any interdicted"; and

(e) by deleting paragraphs 2 (b), 2 (d) and 2 (e) thereof.

Section 20. There is hereby added to said chapter 82 a new section, to be numbered section 2623-A, to read as follows:

"Sec. 2623-A. Giving liquor as prizes prohibited when. It shall be unlawful for any person to offer or give any intoxicating liquor as a prize at any store, shooting gallery, theatre, carnival, circus, bazaar, game or entertainment, or at any public amusement or other public place, or any public gathering. Any person convicted

of violating this section shall be punished as provided in section 2631."

Section 21. Minors lawfully employed on April 1, 1937. Those minors, and only those, who were lawfully employed by licensees on April 1, 1937, may be continued to be employed, the provisions of section 2617, paragraph 1 (e) to the contrary notwithstanding.

Section 22. Nothing in this Act shall be construed to disturb the terms of office of the present members of any commission.

Section 23. This Act shall take effect on July 1, 1937.

(Approved May 14, 1937.) S.B. 135, Act 211.

CHAPTER 83. MOTOR VEHICLES; CHAUFFEUR'S LICENSE; REGISTRATION.

PART I. CHAUFFEURS.

[B-62] An Act Relating to the Licensing of Persons Operating Motor Vehicles upon Highways and to make Uniform the Law Relating Thereto, and Repealing Sections 2650 to 2663, Revised Laws of Hawaii 1935, Inclusive, and All Other Conflicting Laws.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 2650A.] Section 1. **Definitions.** The following words and phrases when used in this Act shall, for the purposes of this Act, have the meanings respectively ascribed to them in this section:

(a) **Vehicle.** Every device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks.

(b) **Motor Vehicle.** Every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails.

(c) **Farm Tractor.** Every motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines and other implements of husbandry.

(d) **School Bus.** Every motor vehicle owned by a public or governmental agency and operated for the transportation of children to or from school.

(e) **Person.** Every natural person, firm, co-partnership, association or corporation.

(f) **Owner.** A person who holds the legal title of a vehicle or in the event a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this Act.

(g) **Operator.** Every person, other than a chauffeur, who is in actual physical control of a motor vehicle upon a highway.

(h) **Chauffeur.** Every person who drives a motor vehicle while in use as a public or common carrier of persons or property.

(i) **Nonresident.** Every person who has not actually resided within the Hawaiian Islands for more than 365 consecutive days.

(j) **Street or Highway.** The entire width between property lines of every way or place of whatever nature when any part thereof is open to the use of the public, as a matter of right, for purposes of vehicular traffic.

(k) **Examiner of Chauffeurs.** The person or persons appointed pursuant to this subsection. The chief of police of the City and County of Honolulu and the sheriff of any county shall each appoint one or more persons, residing in such city and county or county, each of whom shall be a competent operator of motor vehicles, to be known as the "Examiner of Chauffeurs", and whose duty it shall be to examine into the qualifications and fitness of any person desiring to secure a license to operate a motor vehicle as in this Act provided.

[Sec. 2650B.] Section 2. **Operators and Chauffeurs must be licensed.**

(a) No person, except those hereinafter expressly exempted shall drive any motor vehicle upon a highway in this Territory unless such person has a valid license as an operator or chauffeur under the provisions of this Act. No person shall operate a motor vehicle as a chauffeur unless he holds a valid chauffeur's license.

(b) Any person applying for a chauffeur's license under this Act must have first procured an operator's license.

[Sec. 2650C.] Section 3. **What persons are exempt from license.** The following persons are exempt from license hereunder:

(a) Any person while driving or operating a motor vehicle in

the service or employ of any branch or agency of the Federal government, provided he has received from such branch or agency a license or permit to so operate and drive the motor vehicle and provided such branch or agency has been duly authorized by the Federal Government to issue such license or permit.

(b) Any person while driving or operating any road machine, farm tractor or implement of husbandry temporarily operated or moved on a highway.

(c) Any nonresident who is at least twenty years of age, and who has in his immediate possession a valid operator's license issued to him in his home state or country, may, upon application to the Examiner of Chauffeurs, be granted a permit to operate a motor vehicle in this Territory, only as an operator, for a period of not more than ninety (90) days in any calendar year, provided he has complied with the provisions of Section 2673, Revised Laws of Hawaii 1935.

[Sec. 2650D.] Section 4. **What persons shall not be licensed.** The Examiner of Chauffeurs shall not issue any license hereunder :

(a) To any person, as an operator or chauffeur, whose license has been suspended, by a court of competent jurisdiction during such suspension period, nor to any person whose license has been revoked until the expiration of one (1) year after the date of such revocation.

(b) To any person as a chauffeur who is under the age of twenty (20) years.

(c) To any person, as an operator or chauffeur, who has been adjudged an habitual drunkard or an addict to the use of narcotic drugs by a court of competent jurisdiction.

(d) To any person, as an operator or chauffeur, who has previously been adjudged to be afflicted with or suffering from any mental disability or disease and who has not at the time of application been restored to competency by the methods provided by law.

(e) To any person, as an operator or chauffeur, who is required by this Act to take an examination, unless such person shall have successfully passed such examination.

(f) To any person who is required under the provisions of the motor vehicle financial responsibility laws of this Territory to deposit proof of financial responsibility and who has not deposited such proof.

(g) To any person when the Examiner of Chauffeurs has good cause to believe that such person by reason of physical or mental disability would not be able to operate a motor vehicle with safety upon the highways; provided, however, that any person denied a license under this or any other section of this Act shall have a right of appeal as hereinafter provided.

(h) To any person, as an operator, who is under the age of fifteen (15) years.

[Sec. 2650E.] Section 5. Special restriction on drivers of school busses and public or common-carrier motor vehicles.

(a) No person who is under the age of twenty (20) years shall drive any motor vehicle while in use as a school bus nor any motor vehicle while in use as a common or public carrier of persons or property, nor in either event until he has been licensed as a chauffeur and received a chauffeur's license.

(b) No person shall be granted a chauffeur's license unless he shall have had one (1) year of driving experience prior to the application therefor, nor until he files with the Examiner of Chauffeurs one or more certificates signed by a total of at least three (3) responsible people to whom he is well known certifying as to his good character and habits.

(c) No such license shall be granted until the Examiner of Chauffeurs shall be fully satisfied as to the applicant's competency and fitness.

(d) The Examiner of Chauffeurs shall impose such rules and regulations for the exercise of such chauffeur's license as he may deem necessary for the safety and welfare of the traveling public, which rules and regulations shall, in order to become effective, be approved by the Chief of Police or Sheriff of the county or city and county wherein same are to apply.

(e) This section shall in no way be construed as limiting the powers conferred upon the Public Utilities Commission by Section 7958 of the Revised Laws of Hawaii 1935.

[Sec. 2650F.] Section 6. Instruction permits. Any person who, except for his lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain an operator's license under this Act, may apply for a temporary instruction permit, and the Examiner of Chauffeurs shall issue such permit, entitling the applicant, while having such permit in his immediate possession, to drive a motor vehicle upon the highways for a period of sixty (60) days; provided, that except when operating a motorcycle, such person must be accompanied by a licensed operator or chauffeur who shall actually occupy a seat beside such person.

[Sec. 2650G.] Section 7. Application for license or instruction permit.

(a) Every application for an instruction permit or for an operator's or chauffeur's license shall be made upon a form furnished by the Examiner of Chauffeurs and shall be verified by the applicant before a person authorized to administer oaths, and the Examiner of Chauffeurs and officers serving under him are hereby au-

thorized to administer such oaths without charge. Every application shall be accompanied by a fee of three (\$3.00) dollars which fee shall become a county realization; provided, however, that a person who has paid the three dollar charge upon application and issuance of an instruction permit shall not be required to pay any additional charge upon application and issuance of a regular license; and provided, further, that in every case where the applicant is denied a license, two dollars (\$2.00) of said fee shall be refunded.

(b) Every such application shall state the full name, date of birth, sex, occupation, the residence address and business address, if any, of the applicant, and shall briefly describe the applicant, and shall state whether the applicant has theretofore been licensed as an operator or chauffeur, and, if so, when and in what state or country, and whether any such license has ever been suspended or revoked, or whether an application has ever been refused, and, if so, the date of and reason for such suspension, revocation or refusal.

[Sec. 2650H.] Section 8. Application of minors.

(a) The application of any person under the age of twenty (20) years for an instruction permit or operator's license shall be signed and verified before a person authorized to administer oaths by both the father and mother of the applicant, if both are living and have custody of him, or in the event that neither parent is living then by the person or guardian having such custody or by an employer of such minor, or in the event that there is no guardian or employer then by any responsible person who is willing to assume the obligation imposed under this Act upon a person signing the application of a minor.

(b) Any negligence or misconduct of a minor under the age of twenty (20) years when driving a motor vehicle upon a highway shall be imputed to the person who has signed the application of such minor for a permit or license, which person shall be jointly and severally liable with such minor for any damages caused by such negligence or misconduct except as otherwise provided in the next succeeding paragraph.

(c) In the event that a minor deposits or there is deposited upon his behalf proof of financial responsibility in respect to the operation of a motor vehicle owned by him, or if not the owner of a motor vehicle, then with respect to the operation of any motor vehicle, in form and in amounts as required under the motor vehicle financial responsibility laws of this Territory, then the Examiner of Chauffeurs may accept the application of such minor when signed by one parent or guardian of such minor.

[Sec. 2650I.] Section 9. **Release from liability.** Any person who has signed the application of a minor for a license may thereafter file with the Examiner of Chauffeurs a verified written request that the license of said minor so granted be cancelled. Thereupon the Examiner of Chauffeurs shall cancel the license of said minor and the person who has signed the application of such minor shall be relieved from the liability imposed under this Act on account of any subsequent negligence or wilful misconduct of such minor in operating a motor vehicle.

[Sec. 2650J.] Section 10. **Revocation of license upon death of person signing minor's application.** The Examiner of Chauffeurs upon receipt of satisfactory evidence of the death of the persons who signed the application of a minor for a license shall cancel such license and shall not issue a new license until such time as a new application, duly signed and verified, shall be made as required by this Act. This provision, however, shall not apply upon the minor's attaining the age of twenty (20) years.

[Sec. 2650K.] Section 11. **Examination of Applicants.**

(a) The Examiner of Chauffeurs shall examine every applicant for an operator's or chauffeur's license, except as otherwise provided in this Act. Such examination shall be held in the county where the applicant resides within ten (10) days from the date of the filing of the application. It shall include a test of the applicant's eye-sight and such further physical and mental examination as the Examiner of Chauffeurs finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways; the applicant's ability to understand highway signs regulating, warning and directing traffic, his knowledge of the traffic laws of this Territory and the traffic regulations of the county or city and county where he resides or where he intends to operate a motor vehicle, and such examination shall include an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle. Such examinations shall be conducted in accordance with the standard requirements prescribed by rules and regulations previously made by the Examiner of Chauffeurs and approved by the chief of police or sheriff.

[Sec. 2650L.] Section 12. **General provisions governing the issue of licenses to operators and chauffeurs.**

(a) The Examiner of Chauffeurs shall, upon payment of the required fee of Three (\$3.00) Dollars, issue to every applicant qualifying therefor an operator's license as applied for, stating thereon any restrictive provision to which the license issued is subject. Each license shall bear thereon a distinguishing number

assigned to the licensee, the full name, date of birth, residence address and a brief description of the licensee, and a space upon which the licensee shall write his usual signature with pen and ink immediately upon receipt of the license and in the presence of the Examiner of Chauffeurs or his representative. Furthermore, each license shall bear thereon a photograph of the licensee to be made under the direction of the Examiner of Chauffeurs, or, in lieu thereof, a licensee may at his election consent to have an imprint made of his right thumb under the direction of the Examiner of Chauffeurs and such thumb print shall be superimposed upon the license.

(b) Every license shall be printed in a form prescribed by the Examiner of Chauffeurs, on the reverse side of which there shall be a space where any clerk of court or any district magistrate shall enter all records of conviction of violations of the traffic laws or regulations of the Territory or any political subdivision thereof involving a moving vehicle and all suspensions effected by any court from and after the effective date of this Act.

[Sec. 2650M.] Section 13. **Special provisions with respect to the issue of a chauffeur's license.** The Examiner of Chauffeurs shall issue with every chauffeur's license a chauffeur's badge of metal with a plainly readable distinguishing number assigned to the licensee stamped thereon and every chauffeur shall display such chauffeur's badge in plain sight upon the band of his cap or hat or upon his outer garment while operating a motor vehicle as a public or common carrier of persons or property.

[Sec. 2650N.] Section 14. **License to be carried and exhibited on demand.** Every licensee shall have his operator's or chauffeur's license in his immediate possession at all times when operating a motor vehicle, and shall display the same upon demand of a police officer; provided, however, that no person charged with violating this section shall be convicted if he shall produce in court, or proof from the proper official records that he was the holder of, an operator's or chauffeur's license theretofore issued to him and valid at the time of his arrest.

[Sec. 2650O.] Section 15. **Restricted license.**

(a) The Examiner of Chauffeurs upon issuing an operator's or chauffeur's license shall have authority whenever good cause appears to impose restrictions suitable to the licensee's driving ability with respect to the type of or special mechanical control devices required on a motor vehicle which the licensee may operate or such other restrictions applicable to the licensee as the Examiner of

Chauffeurs may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) The Examiner of Chauffeurs shall indicate such restriction on the usual license form.

(c) The Examiner of Chauffeurs may, upon receiving satisfactory evidence of any violation of the restrictions of such license, suspend or revoke the same but the licensee shall be entitled to a hearing as hereafter provided.

(d) It shall be a misdemeanor for any person to operate a motor vehicle in any manner in violation of the restrictions imposed in a restricted license issued to him.

[**Sec. 2650P.**] Section 16. **Duplicate certificates and chauffeur's badges.** In the event that an instruction permit or operator's or chauffeur's license or chauffeur's badge issued under the provisions of this Act is lost or destroyed, the person to whom the same was issued may upon payment of 50¢ obtain a duplicate or substitute thereof upon furnishing proof satisfactory to the Examiner of Chauffeurs that such permit, license or badge has been lost or destroyed.

[**Sec. 2650Q.**] Section 17. **Expiration of licenses.**

(a) Every operator's license shall continue in full force and effect and shall require no renewal. Provided, however, that renewal of such license shall be required in case the holder thereof is convicted, after the effective date of this Act, of furious, heedless or reckless driving, or of unlawful speeding under any law or ordinance of the Territory or any political subdivision thereof.

(b) Every chauffeur's license issued under the provisions of this Act shall expire, unless otherwise revoked or cancelled, one (1) year after the issue thereof and shall be renewable on or before its expiration date upon re-examination and payment of a renewal fee of One (\$1.00) Dollar; provided, however, that the Examiner of Chauffeurs may in his discretion waive examination upon renewal of such license.

[**Sec. 2650R.**] Section 18. **Records to be kept by the Examiner of Chauffeurs.**

(a) The Examiner of Chauffeurs shall file every application for a license received by him and shall maintain suitable indices containing, in alphabetical order:

1. All applications denied with a note on each as to the reason for such denial;

2. All applications granted; and

3. The name of every licensee whose license has been suspended or revoked by a court of competent jurisdiction with a note after each such name as to the reasons for such action.

(b) The Examiner of Chauffeurs shall also file all accident reports and abstracts of court records of convictions received by him under the traffic laws and regulations of the Territory or any political subdivision thereof, and in connection therewith he shall maintain convenient records or make suitable notations in order that an individual record of each licensee, the traffic accidents in which he has been involved and other pertinent data may be readily ascertainable and available for the consideration of the Examiner of Chauffeurs upon any application for a renewal of license and at other suitable times.

[S. 2650S.] Section 19. Authority of Examiner of Chauffeurs to cancel license.

(a) The Examiner of Chauffeurs is hereby authorized to cancel any operator's or chauffeur's license upon determining that the licensee was not entitled to the issuance thereof hereunder or that said licensee failed to give the required or correct information in his application or committed any fraud in making such application or in obtaining such license.

(b) Upon such cancellation the licensee shall surrender the license so cancelled and any chauffeur's badge to the Examiner of Chauffeurs.

[Sec. 2650T.] Section 20. Suspending or revoking privileges of nonresident and reporting convictions.

(a) The privilege of driving a motor vehicle on the highways of this Territory given to a nonresident hereunder shall be subject to suspension or revocation in like manner and for like cause as an operator's or chauffeur's license issued hereunder may be suspended or revoked.

(b) The Examiner of Chauffeurs is further authorized, upon receiving a record of the conviction in this Territory of a nonresident driver of a motor vehicle of any offense under the motor vehicle laws or regulations of the Territory or any political subdivision thereof, to forward a certified copy of such record to the motor vehicle administrator in the state wherein the person so convicted is a resident.

[Sec. 2650U.] Section 21. When court to forward license to Examiner of Chauffeurs.

(a) In every case where a licensee shall be convicted of a violation of this Act or of any traffic law or regulation of the Territory or any political subdivision thereof, involving a moving vehicle whether or not the license is revoked or suspended, the court shall require the licensee to surrender his license to the court and the clerk of such court or presiding magistrate thereof shall forthwith enter on the reverse side thereof a record of the

conviction and make such other disposition of it under the provisions of this Act as in his discretion seems appropriate.

(b) Every court of competent jurisdiction shall forward to the Examiner of Chauffeurs a record of the conviction of any person in such court for a violation of any traffic law or regulation of the Territory or any political subdivision thereof and such court may revoke or suspend the license of such person.

(c) For the purpose of this Act the term "conviction" shall mean a final conviction.

[Sec. 2650V.] Section 22. Mandatory revocation of license by a court. Any court of competent jurisdiction shall forthwith revoke the license of any operator or chauffeur upon a conviction of such operator or chauffeur of any of the following offenses when such conviction has become final:

(a) Manslaughter resulting from the operation of a motor vehicle.

(b) Driving a motor vehicle while under the influence of intoxicating liquor or narcotic drugs.

(c) Any felony in the commission of which a motor vehicle is used.

(d) Failure to stop and render aid as required under the laws of this Territory or any political subdivision thereof in the event of a motor vehicle accident resulting in the death or personal injury of another.

(e) Perjury or the making of a false affidavit or statement under oath to the Examiner of Chauffeurs, or his representative, under this Act, or under any other law relating to the ownership or operation of motor vehicles.

(f) Conviction, or forfeiture of bail not vacated, upon three charges of furious and heedless driving committed within a period of twelve (12) months.

[Sec. 2650W.] Section 23. Discretionary revocation or suspension of license by a court. In addition to the provisions for mandatory revocation of a license set forth in Section 22, any court of competent jurisdiction may, in its discretion, revoke or suspend the license of any operator or chauffeur convicted of a violation of any provision of this Act or of any traffic law or regulation of the Territory or any political subdivision thereof involving a vehicle in motion.

[Sec. 2650X.] Section 24. Period of suspension or revocation. A court of competent jurisdiction shall not suspend a license for a longer period than one (1) year; and when a court has revoked a license, the Examiner of Chauffeurs shall not in any event grant an application for a new license until the expiration of one (1) year after the date of such revocation.

[**Sec. 2650Y.**] Section 25. **Surrender and return of license and badge.** The Examiner of Chauffeurs shall require that the license and the badge of any chauffeur whose license is suspended or revoked shall be surrendered to and be retained by the Examiner of Chauffeurs, except that at the end of the period of suspension such license and any chauffeur's badge so surrendered shall be returned to the licensee.

[**Sec. 2650Z.**] Section 26. **Appeal.** Any applicant who has been refused a license after at least three (3) examinations, or who has been refused any examination, and every licensee whose license shall have been suspended, revoked or cancelled by the Examiner of Chauffeurs, may appeal from such refusal, suspension, revocation or cancellation to a circuit judge at chambers of the circuit court of the circuit in which the applicant or licensee resides by filing his petition in such court within twenty (20) days of the date of the refusal, suspension, revocation or cancellation; provided, however, that the appeal shall not operate as a stay to the order or decision appealed from. The appeal shall be subject to such procedure and rules as may be prescribed by the court and the decision of the judge shall be final.

[**Sec. 2650AA.**] Section 27. **No operation under foreign license during revocation or suspension in this Territory.** Any resident or nonresident whose operator's or chauffeur's license or right or privilege to operate a motor vehicle in this Territory has been suspended or revoked as provided in this Act shall not operate a motor vehicle in this Territory under a license, permit, or registration certificate issued by any other jurisdiction or otherwise during such suspension or after such revocation until a new license is obtained when and as permitted under this Act.

[**Sec. 2650BB.**] Section 28. **Unlawful use of license.** It shall be a misdemeanor for any person:

(a) To display or permit to be displayed or have in his possession any cancelled, revoked, suspended, fictitious or fraudulently altered operator's or chauffeur's license.

(b) To lend his operator's or chauffeur's license to any other person or knowingly permit the use thereof by another.

(c) To display or represent as one's own any operator's or chauffeur's license not issued to him.

(d) To fail or refuse to surrender to the Examiner of Chauffeurs upon his lawful demand any operator's or chauffeur's license which has been suspended, revoked or cancelled.

(e) To use a false or fictitious name in any application for an operator's or chauffeur's license or to knowingly make a false statement or to knowingly conceal a material fact or otherwise commit a fraud in any such application.

[Sec. 2650CC.] Section 29. **Driving while license suspended or revoked.** Any person whose operator's or chauffeur's license, or driving privilege as a nonresident has been cancelled, suspended or revoked as provided in this Act, and who shall drive any motor vehicle upon the highways of this Territory while such license or privilege remains cancelled, suspended or revoked, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by imprisonment for not more than one (1) year, or by a fine of not less than Twenty-five (\$25.00) Dollars and not more than One Thousand (\$1,000.00) Dollars, or by both such fine and imprisonment.

[Sec. 2650DD.] Section 30. **Permitting unauthorized person to drive.** No person shall authorize or knowingly permit a motor vehicle owned by him or under his control to be driven upon any highway by any person who is not authorized hereunder or in violation of any provision of this Act.

[Sec. 2650EE.] Section 31. **Employing Unlicensed chauffeur.** No person shall employ as a chauffeur of a motor vehicle any person who is not then in possession of a license issued as provided in this Act.

[Sec. 2650FF.] Section 32. **Renting motor vehicle to another.** Every person renting a motor vehicle to another shall keep a record of the registration number of the motor vehicle so rented, the name and address of the person to whom the vehicle is rented, the number of the license of said latter person and the date and place when and where said license was issued. Such record shall be open to inspection by any police officer or the Examiner of Chauffeurs or his representative.

[Sec. 2650GG.] Section 33. **Penalty for misdemeanor.**

(a) It shall be a misdemeanor for any person to violate any of the provisions of this Act unless such violation is by this Act or other laws of the Territory declared to be a felony.

(b) Unless another penalty is in this Act or by the laws of the Territory provided, every person convicted of a misdemeanor for the violation of any provision of this Act shall be punished by a fine of not more than \$500.00, or by imprisonment for not more than six months, or by both such fine and imprisonment.

[Sec. 2650HH.] Section 34. **Uniformity of Interpretation.** This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of the Territory of Hawaii relating to the licensing of persons operating motor vehicles upon the highways.

[**Sec. 2650II.**] Section 35. **Short Title.** This Act may be cited as the Uniform Motor Vehicle Operator's and Chauffeur's License Act.

[**Sec. 2650JJ.**] Section 36. **Constitutionality.** If any clause, sentence, paragraph, part or parts of this Act, or the application thereof to any person or circumstances, shall be held unconstitutional or invalid, such unconstitutionality or invalidity shall not affect the application of this Act to other persons or circumstances, or the validity of the remaining parts of this Act. The Legislature hereby declares that it would have passed the remaining parts of this Act if it had known that such part or parts thereof would be declared unconstitutional.

Section 37. **Repeal.** Section 2650 to Section 2663, inclusive, Revised Laws of Hawaii 1935, and all other laws or parts thereof inconsistent with any of the provisions of this Act are hereby repealed.

Section 38. **Effective Date.** This Act shall take effect on and after the first day of July, A. D. 1937.

(Approved May 17, 1937.) H.B. 45, Act 234.

Title XII. COUNTY GOVERNMENT.

CHAPTER 86. GOVERNMENT OF KAUAI, MAUI, HAWAII AND KALAWAO.

SALARIES.

[B-63] An Act to Amend Section 2816 of the Revised Laws of Hawaii 1935, Relating to Salaries of County Officers.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 2816** of the Revised Laws of Hawaii 1935, is hereby amended by amending the items reading

"County clerk, county of Maui.....	3,300.00"
"Treasurer, county of Maui.....	3,600.00"

to read

"County clerk, county of Maui.....	3,600.00"
"Treasurer, county of Maui.....	4,200.00",

and under the heading "County of Maui:", amend the items reading

SALARIES: POWERS OF SUPERVISORS.

SERIES B-63.—ACT 56]

SERIES B-64.—ACT 101]

SERIES B-65.—ACT 46]

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"Deputy sheriff, district of Lahaina.....	2,700.00"
"Deputy sheriff, district of Hana	1,980.00"
"Deputy sheriff, district of Makawao.....	3,000.00"
"Deputy sheriff, district of Molokai.....	1,980.00"
to read	
"Deputy sheriff, district of Lahaina.....	3,000.00"
"Deputy sheriff, district of Hana	2,400.00"
"Deputy sheriff, district of Makawao.....	3,300.00"
"Deputy sheriff, district of Molokai.....	2,700.00".

Section 2. This Act shall take effect and be in force from and after July 1, 1937.

(Approved April 22, 1937.) H.B. 138, Act 56.

[B-64] An Act to Amend Section 2816 of the Revised Laws of Hawaii 1935, Relating to Salaries of County Officers.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 2816** of the Revised Laws of Hawaii 1935, is hereby amended by deleting the figures \$3,600.00 in the sixth line of said section and inserting in lieu thereof the figures \$4,200.00 so that the said sixth line of said section shall read: "Chairman and executive officer County of Kauai.....\$4,200.00"

Section 2. This Act shall take effect upon January 1, 1939.

(Approved April 28, 1937.) H.B. 465, Act 101.

POWERS AND DUTIES OF THE BOARD OF SUPERVISORS.

[B-65] An Act to Amend Section 2833, Subsection 10 and Section 3021, Subsection 33, of the Revised Laws of Hawaii 1935, Giving the Several Boards of Supervisors Power to Provide by Ordinance for the Exhibition of Moving Pictures on Sundays.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Subsection 10 of **Section 2833** of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"To provide by ordinance for the exhibiting of moving pictures on Sundays after the hour of 12:30 P.M., and legitimate stage play productions on Sundays after 6:30 P.M., under such restrictions as they may prescribe;"

Section 2. Subsection 33 of **Section 3021** of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"To provide by ordinance for the exhibiting of moving pictures on Sundays after the hour of 12:30 P.M., and legitimate stage play productions on Sundays after 6:30 P.M., under such restrictions as they may prescribe." [L. 1915, c. 185, s. 1; am. L. 1931, cc. 19, 266, ss. 1; R. L. 1935, s. 3021, sub. 33; am. L. 1937, c. 46, s. 2.]

Section 3. This Act shall take effect upon its approval.

(Approved April 20, 1937.) **H.B. 427, Act 46.**

AUDITOR.

[B-66] An Act to Amend Section 2852 of the Revised Laws of Hawaii 1935, as Amended by Act 22 of the Session Laws of Hawaii 1935, Relating to time for Payment of Salaries and Wages of County Officers and Employees.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 2852 of the Revised Laws of Hawaii 1935, as amended by Act 22 of the Session Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 2852. Liability specified thereon. The auditors of the several counties shall, not less than twice each month, issue pay warrants to all officers and employees whose salaries or wages have been fixed by the legislature or the boards of supervisors, or who are on a per diem wage basis. All warrants shall distinctly specify the liability for which they are drawn and when the same accrued." [L. 1905, c. 39, s. 76; L. 1921, c. 10, s. 1; R. L. 1935, s. 2852; am. L. 1935, c. 22, s. 1; am. L. 1937, c. 27, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 14, 1937.) **H.B. 27, Act 27.**

KAUAI COUNTY BOARD OF SUPERVISORS; CHAIRMAN AND EXECUTIVE OFFICER.

[B-67] An Act to Amend Chapter 86 of the Revised Laws of Hawaii 1935, Relating to the Kauai Supervisors by Amending Section 2892 Thereof and by Adding Five New Sections to be Designated Respectively as Sections 2892-A, 2892-B, 2892-C, 2892-D and 2892-E.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 2892 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 2892. Number, election. The board of supervisors of the county of Kauai shall consist of five members, one of whom shall be elected as chairman and executive officer of the board and all of whom shall be elected at large from among those who have been qualified electors of the county for at least one year prior to their election. All such elections shall be conducted in the manner prescribed by law for the election of county officers."

Provided, however, that the board of supervisors as at present constituted shall continue in existence until its successors elected in the manner provided in this Act shall take office. [L. 1905, c. 39, s. 12a; am. imp. L. 1907, c. 118; am. imp. L. 1911, c. 149; am. L. 1929, c. 100, s. 1; R. L. 1935, s. 2892; am. L. 1937, c. 100, s. 1.]

Section 2. Chapter 86 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to be designated Section 2892-A and to read as follows:

"Section 2892-A. Powers and duties. The member elected as chairman and executive officer of the board in the county of Kauai, shall preside at all meetings. He shall exercise and have general superintendence and control over all county affairs and shall manage the same subject to the advice and direction of the board.

Immediately upon taking office he shall:

1. Take charge of all the inventories of road machinery, tools, equipment, paraphernalia and supplies of the county and have complete and proper inventories checked with the supervisors and see that all the machinery, tools, equipment, paraphernalia and supplies from outgoing supervisors or other county officers and employees, whose term of office or employment has expired, are turned over to the county, and he shall thereafter as soon as practicable, file a report with the board, which report shall fully set forth the amount, kind and condition of property of every kind found and taken over.

2. He shall be the chief executive officer of the county, have the power and right to take charge of all county road work and other public construction work of the county, and it shall be his duty to see that the appropriations and allotments of funds, as allowed and passed upon by the board, are expended and the work performed in a proper manner and in the manner and place that the board has ordered and authorized such work and expenditure.

3. The chairman and executive officer shall vigilantly observe the official conduct of all public officers and employees of the county and the manner in which they execute their official duties and fulfill their obligations. The books, records, official and essential papers of all departments, officers and persons in the employ of the county shall, at all times, be opened to his order, inspection and examination. He shall take special care that the books and records of all departments, boards, officers and employees of the county are kept in legal and proper form. When it shall come to his attention, or he shall have reasonable grounds to believe, that any officer or employee of the county is guilty of misfeasance, malfeasance, or maladministration of official duties, he shall forthwith make a preliminary investigation, and he shall report in writing to the board at its next meeting, whether regular or special, the results of his findings in the matter, and the board shall immediately make a further investigation, and if its findings so warrant, it shall authorize and institute a legal investigation, pending the determination of which legal investigation it shall have the power to suspend such officer, or suspend without pay or remove such employee so charged. The chairman and executive officer shall from time to time recommend to the proper officers of the different departments such measures as he may deem beneficial to the public interest. He shall see that the laws of the Territory and the ordinance of the county are observed and enforced. He shall have a general supervision over all the departments and public institutions of the county, and see that they are honestly, economically, efficiently and lawfully conducted."

Section 3. Chapter 86 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to be designated Section 2892-B and to read as follows:

"Section 2892-B. Further duties, and duties of other officers and employees. The chairman and executive officer shall see that all contracts and agreements with the county are faithfully kept and fully performed. It shall be the duty of every officer and person in the employ or service of the county, when it shall come to his knowledge that any contract or agreement with the county, or with any officer or department thereof, or relating to the business of any office, has been or is about to be violated by the other or either contracting party, forthwith to report to the chairman and executive officer all facts and information within his knowledge or possession concerning such matter. A wilful failure to do so shall be cause for the summary removal of any such employee and for the removal of any officer, in the manner as provided for by law. The chairman and executive officer shall, without demand, and within a reasonable time thereafter give his

certificate to any person reporting such facts and information, which certificate shall be correctly dated and accurately set forth the time, place, persons, circumstances, nature, scope and substance of disclosures made or information reported, as herein provided, and such certificate shall be evidence in exoneration of any county official or employee from a charge of neglect of this duty, insofar as the certificate shows that such person has fully and truthfully reported matters within his knowledge. The chairman and executive officer may require such information or report to be reduced to writing, sworn to and signed by the person making same. A copy of all such reports made to the chairman and executive officer shall forthwith be filed by him with the county attorney and another copy shall in like manner be filed with the county clerk, whose duty it shall be to present the same to the board at the next following meeting, at which meeting the chairman and executive officer shall make a report in writing stating what investigation or action he has made or undertaken in the matter."

Section 4. Chapter 86 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to be designated Section 2892-C and to read as follows:

"Section 2892-C. Power of appointment and removal. The chairman and executive officer, subject to the approval of the board, shall appoint all officers and employees of the county whose election or appointment is not otherwise specially provided for by law and, subject to such approval, may suspend or remove them. When a vacancy occurs in any office, provision for the filling of which is not otherwise made by law, the chairman and executive officer, subject to the approval of the board, shall appoint a suitable person to fill such vacancy, who shall hold office for the remainder of the unexpired term, unless sooner removed for just and lawful cause."

Section 5. Chapter 86 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to be designated Section 2892-D and to read as follows:

"Section 2892-D. Acting chairman and executive officer. When and so long as the chairman and executive officer is temporarily unable to perform his duties, a member of the board shall be chosen by the board as chairman and executive officer pro tempore, and in such case, he shall have all the powers and be subject to all the duties of such chairman and executive officer."

Section 6. Chapter 86 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to be designated Section 2892-E and to read as follows:

“Section 2892-E. Failure to perform. A neglect or failure by the chairman and executive officer to perform any of the duties enumerated in sections 2837 and 2839 shall be sufficient cause for his impeachment and removal from office in the manner provided by law.”

Section 7. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 464, Act 100.**

SAMUEL MAHELONA MEMORIAL HOSPITAL.

[B-68] An Act to Amend Section 2904 of the Revised Laws of Hawaii 1935, Relating to Appropriations for Samuel Mahelona Memorial Hospital.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 2904** of the Revised Laws of Hawaii 1935 is hereby amended by substituting, for the words “forty-five”, in the third and eighth lines thereof, the word “sixty”.

Section 2. This Act shall take effect as of January 1, 1937.

(Approved May 3, 1937.) **S.B. 96, Act 125.**

**Title XIII. HONOLULU
GOVERNMENT.**

**CHAPTER 88. CITY AND COUNTY OF
HONOLULU.**

POWERS OF THE SUPERVISORS.

[B-69] An Act to Amend Section 3021 of the Revised Laws of Hawaii 1935, as Amended, Relating to the Powers of the Board of Supervisors of the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3021** of the Revised Laws of Hawaii 1935, as amended by Acts 162, 187 and 196 of the Session Laws of Hawaii 1935, is hereby amended by amending paragraph 28 thereof to read as follows:

"28. To sell at public auction, after notice by publication once a week for at least two weeks in any daily newspaper in the city and county, any real property acquired by the city and county whenever the board deems it advisable to abandon the use of such property for the purpose for which it was acquired; provided, however, that the proposed sale of any park lands must first be approved by the governor, and that the funds realized from such sale shall be expended only for the purpose of acquiring other lands to be used for park purposes; and provided further, that the proposed sale of any abandoned school site shall first be approved by the superintendent of public instruction, and that the proceeds from such sale shall be used only for acquiring land or for the erection of buildings for school purposes; and provided further, that no such real property bordering on the ocean shall be sold or otherwise disposed of." [L. 1927, c. 72, pt. of s. 1; L. 1937, c. 6, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved March 29, 1937.) **H.B. 186, Act 6.**

[**B-70**] An Act to Amend Section 3021 of the Revised Laws of Hawaii 1935. Relating to the Powers of the Board of Supervisors of the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3021** of the Revised Laws of Hawaii 1935 is hereby amended by adding, at the end of paragraph numbered 28 thereof, a proviso to read as follows:

"Provided, further, that all real property acquired by the city and county by purchase at any sale for default in the payment of any improvement district assessment may by the treasurer be sold at either public or private sale; the minimum price at which each lot shall be so sold shall be determined and fixed by a committee consisting of the mayor as chairman, and the treasurer, auditor and chairman of the finance committee of the board of supervisors, of the city and county; such prices and notice that such lots are held for sale shall be published at least once in a daily newspaper of general circulation in the city and county before sale, and, in the event of a sale at public auction, the prices so determined shall constitute the upset prices for the respective lots so auctioned." [L. 1927, c. 72, pt. s. 1; am. L. 1937, c. 13, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 6, 1937.) **S.B. 50, Act 13.**

[B-71] An Act to Amend Section 3021 of the Revised Laws of Hawaii 1935, Relating to the Powers of the Board of Supervisors of the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3021** of the Revised Laws of Hawaii 1935 is hereby amended by amending paragraph numbered 32 thereof to read as follows:

“32. To make appropriations not exceeding the sum of five thousand dollars (\$5,000.00) in any one year, from any moneys in the treasury, for the purpose of public celebrations, and the entertainment of such distinguished persons as may from time to time visit the city and county.” [L. 1915, c. 147, s. 1; R. L. 1935, s. 3021, par. 32; am. L. 1937, c. 10, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 5, 1937.) **S.B. 140, Act 10.**

[**Sec. 3021, Subsection 33**, is also amended by Act 46, supra, page 120.]

HOUSE NUMBERS, HONOLULU.

[B-72] An Act to Amend Sections 3029, 3031 and 3035 of the Revised Laws of Hawaii 1935, Relating to House Numbers in the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3029** of the Revised Laws of Hawaii 1935, is hereby amended by adding at the end thereof a new sentence reading as follows:

“It shall also have the power to regulate the numbering of all houses in any rural district of the City and County of Honolulu, if, in its discretion, the population of such district is deemed sufficiently large to warrant it.”

Section 2. **Section 3031** of said Revised Laws of Hawaii 1935, is hereby amended by inserting after the word “Honolulu” and before the word “to” in the third line thereof, the following clause:

“or in any rural district of the City and County of Honolulu when required by the Board of Supervisors,”.

SERIES B-72.—Act 22]

SERIES B-73.—Act 30]

SERIES B-74.—Act 158]

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Section 3. **Section 3035** of said Revised Laws of Hawaii 1935, is hereby amended by inserting after the word "Honolulu" and before the word "who" in the second line thereof, the following clause:

"or in any rural district of the City and County of Honolulu when required by the Board of Supervisors."

Section 4. This Act shall take effect upon its approval.

(Approved April 10, 1937.) **H.B. 366, Act 22.**

BONDS.

[**B-73**] An Act to Amend Section 3044 of the Revised Laws of Hawaii 1935, Relating to Amount of Bonds of City and County Officers.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3044** of the Revised Laws of Hawaii 1935, is hereby amended by adding at the end thereof the following:

"Public Prosecutor, Five Thousand Dollars".

Section 2. This Act shall take effect upon its approval.

(Approved April 15, 1937.) **H.B. 320, Act 30.**

SALARIES.

[**B-74**] An Act to Amend Section 3046 of the Revised Laws of Hawaii 1935, as Amended, Relating to Salaries of the Officers of the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 3046 of the Revised Laws of Hawaii 1935, as amended, is hereby further amended to read as follows:

"**Sec. 3046. Salaries of officials.** The salaries of the following city and county officers shall be payable semi-monthly out of the city and county treasury at the following rates:

	Per Annum
Mayor	\$8,250.00
Members of the board of supervisors.....	1,320.00
Sheriff	4,620.00
City and County Clerk.....	6,300.00
Auditor	6,300.00
City and County Attorney.....	7,500.00
Treasurer	6,600.00
Public Prosecutor	7,500.00"

[L. 1907, c. 118, s. 39; am. L. 1927, c. 198, s. 1; am. L. 1929, c. 144, s. 1; am. L. 1931, c. 243, s. 1; L. 1932, 1st, c. 13, pt. of s. 1; am. L. 1932, 1st, c. 14, s. 1; R. L. 1935, s. 3046; am. L. 1935, c. 111, s. 1; am. L. 1937, c. 158, s. 1.]

Section 2. This Act shall take effect on July 1, 1937.

(Approved May 6, 1937.) **H.B. 98, Act 158.**

[B-75] An Act to Fix the Salaries of Officers and Members of the Police Force and the Fire Department of the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 3046A.] Section 1. **[Police Department.]** The annual basic salaries of the officers and members of the Police Department of the City and County of Honolulu shall be as follows: chief of police, \$7,200.00; assistant chief of police, \$4,800.00; captain of detectives, \$4,500.00; captains of police, \$3,600.00 each; lieutenants of detectives, \$3,300.00 each; lieutenants of police, \$3,000.00 each; desk sergeants, \$2,800.00 each; sergeants of police, detectives, police reporters and radio mechanics, \$2,700.00 each; patrolmen-clerks, \$2,500.00 each; patrolmen and policewomen, \$1,900.00, with an annual increase of \$100.00 each in salary for five years, or until the maximum salary of \$2,400.00 is reached.

[Sec. 3046B.] Section 2. **[Base salary upon appointment.]** All original appointments of patrolmen and policewomen shall be at the basic salary of \$1,900.00 per year, and the first year of service shall be probationary.

[Sec. 3046C.] Section 3. **[Salaries on effective date of law; increases.]** The annual salaries of the following officers and

members of the Police Department of the City and County of Honolulu in service on the effective date of this Act shall be as follows: captain of detectives, \$4,000.00; captains of police, \$3,100.00 each; lieutenants of detectives, \$2,800.00 each; lieutenants of police, \$2,500.00 each; desk sergeants, \$2,300.00 each; sergeants of police, detectives, police reporters and radio mechanics, \$2,200.00 each; patrolmen-clerks, \$2,000.00 each. All officers and members mentioned in Section 3 herein shall receive an increase in salary of \$100.00 each for each year of service for five years until the basic salary is reached, and any appointments and/or promotions to the above grades shall be at the rates of compensation paid the incumbent officers and members.

[Sec. 3046D.] Section 4. [Fire Department.] The annual basic salaries of the following officers and members of the Fire Department of the City and County of Honolulu shall be as follows: chief engineer, \$6,600.00; first assistant chief engineer, \$4,800.00; second assistant chief engineer, \$4,000.00; master mechanic, \$3,600.00; captains, \$3,000.00 each; engineer and assistant mechanic, \$2,800.00; lieutenants, \$2,700.00 each; engineers, \$2,600.00 each; drivers, hosemen, clerks and operators, \$1,900.00, with an annual increase of \$100.00 in salary for five years, or until the maximum salary of \$2,400.00 is reached.

[Sec. 3046E.] Section 5. [Base salary upon appointment.] All original appointments of drivers, hosemen, clerks, and operators shall be made at the basic salary of \$1,900.00 per year, and the first half year of service shall be probationary.

[Sec. 3046F.] Section 6. [Salaries on effective date of law; increases.] The annual salaries of the following officers in service on the effective date of this Act shall be fixed as follows: captains, \$2,500.00 each; lieutenants, \$2,200.00 each; engineers, \$2,100.00 each; said officers to receive an annual increase of \$100.00 in salary until the basic salary referred to in Section 4 of this Act is reached; PROVIDED, however, that any appointments and/or promotions to the above grades shall be at the rates paid the incumbent officers.

[Sec. 3046G.] Section 7. [Conditions on increase.] No annual increase in salary shall be paid to any member of the police department unless in the opinion of the Police Commission such member has rendered satisfactory service and no annual increase in the salary of any member of the fire department shall be made unless such member shall, in the judgment of the Chief Engineer of the fire department, have rendered satisfactory service.

[Sec. 3046H.] Section 8. Repeal of Conflicting Provisions. All provisions of law or rules and regulations inconsistent with

the provisions of this Act are superseded by the provisions hereof to the extent of such inconsistency.

[Sec. 3046 I.] Section 9. **Appropriations.** The Board of Supervisors is hereby authorized and directed to make the necessary appropriations to meet the salaries as fixed herein for the members of the fire department and to increase the lump sum directed by law to be appropriated for use of the police department by the amount the salaries of the members of said department are increased by the terms hereof over the salaries paid for like positions on January 1, 1937. Notwithstanding any provision of the law to the contrary the Board of Supervisors of the City and County of Honolulu is hereby authorized and empowered to appropriate up to 25% of the cost of the Police Department of said City and County from that fund known as the road fund.

[Sec. 3046 J.] Section 10. **Effective Date.** This Act shall take effect upon the date of its approval; PROVIDED, however, that the salary schedules set forth herein or herein authorized shall take effect July 1, 1937, and provided, further, that where annual increases are provided for each year of service the period from July 1, 1937 to December 31, 1937 shall be considered as the first year of service.

(Approved April 27, 1937.) **H.B. 158, Act 78.**

DEPARTMENT OF PUBLIC WORKS.

[B-76] An Act Establishing a Department of Public Works for the City and County of Honolulu, Providing for the Appointment of the Chief Engineer and Prescribing his Powers and Duties.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 3104A.] Section 1. **Department of Public Works created; powers, duties and functions.** There is created a department of Public Works of the City and County of Honolulu. The department shall have charge of, and shall administer and superintend the performance of, all City and County matters in the City and County, of, or relating to, engineering, public construction, road, street, and bridge construction and maintenance, public improvements, garbage disposal, street and highway illumination, traffic control, sewer construction and maintenance and all other public works, except the repair, operation, maintenance and construction of public buildings, parks, and public water supplies for the City of Honolulu.

[Sec. 3104B.] Section 2. **Chief Engineer; powers and duties.** The department shall be in charge of a head administrative officer who shall be a registered professional engineer of recognized standing and ability, who shall be known as the chief engineer, Department of Public Works, City and County of Honolulu. He shall be appointed and be removable by the Mayor, with the consent of the board of supervisors, and shall receive a salary of not less than seven thousand two hundred dollars per annum from the City and County of Honolulu. He shall be vested with, and have, enjoy, perform and be subject to, all the powers, functions, duties and liabilities conferred or imposed upon the department under the foregoing section, and such further powers, duties, functions and liabilities as may be prescribed from time to time by the board of supervisors.

[Sec. 3104C.] Section 3. **Deputies, assistants and employees.** The chief engineer shall appoint or engage, and may remove, such deputies, assistants and employees as the functions of the department shall require, at such compensation as the board may authorize, and such deputies, assistants and employees shall discharge any of the duties pertaining to the department as the chief engineer may assign to them; the chief engineer, with the approval of the board, may also appoint, in writing, any deputy, assistant or employee in his department, or, in case no competent person is so available, any competent person at such compensation as the board may authorize, to serve as acting chief engineer during his temporary illness, incapacity, or absence from the city and county for whose acts the chief engineer shall be responsible, and such appointee shall, during such temporary illness, incapacity or absence of the chief engineer, have and exercise all the powers, duties and functions of the chief engineer, whether prescribed by statute or ordinance, subject to the direction and control of the engineer; **provided**, however, that any deputy, assistant or employee in the department so appointed as acting chief engineer shall serve as such without additional compensation.

Section 4. Nothing in this bill shall be construed to affect the tenure of office of the present city and county engineer, who shall serve out his present term and assume the duties of chief engineer of the city and county, unless sooner removed in accordance with present ordinances of the city and county of Honolulu.

Section 5. All laws and ordinances in conflict with this Act are hereby repealed.

Section 6. This Act shall take effect upon its approval.

(Approved May 6, 1937.) H.B. 392, Act 156.

**CHAPTER 92. HIGHWAYS,
IMPROVEMENT BY ASSESSMENT.***

[B-77] An Act to Amend Section 3191 of the Revised Laws of Hawaii 1935, Relating to Notice of Proposed Street Improvement Assessment.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3191** of the Revised Laws of Hawaii 1935 is hereby amended by inserting, after the words "front foot", in the fifth line thereof, the words "and the exterior boundaries of the lands subject to the assessment,".

Section 2. This Act shall take effect upon its approval, but shall not apply to any street improvement project in which said section has, prior to the effective date hereof, been complied with as it existed prior to this amendment.

(Approved April 21, 1937.) **S.B. 183, Act 51.**

[B-78] An Act to Amend Section 3201 of the Revised Laws of Hawaii 1935, Relating to Improvement District Bonds, so as to Authorize the Use of the Improvement District Revolving Fund for the Purchase of Lots Bid in by the City and County at Foreclosure Sale for Delinquency.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3201** of the Revised Laws of Hawaii 1935 is hereby amended by amending the second sentence of the third paragraph of said section to read as follows:

"In the event that any surplus shall remain in any such special fund after the payment of the bonds chargeable against such fund or in case of a premium received on the sale of the bonds, it shall be credited to and become a part of a fund to be known as the improvement district revolving fund, the moneys in which shall be available to make up deficiencies in the proceeds of bonds sold below par, to cover deficiencies in interest realized on account of diminishing balances of installments outstanding, and to advance interest due on bonds outstanding prior to collection of annual assessments, and also for the purpose of paying all expenses in connection with the sale of delinquent improvement district lots and the prices of such delinquent lots as are bid for and purchased by the treasurer for the city and county, and the

*[See Act 31, pages 399-405, relative to bond compromises.]

treasurer is authorized upon such purchase to transfer the proper amounts so bid to the proper special funds for the respective improvement districts concerned."

Section 2. This Act shall take effect upon its approval.

(Approved April 20, 1937.) **S.B. 266, Act 39.**

[B-79] An Act to Amend Chapter 92 of the Revised Laws of Hawaii 1935, Relating to Improvement of Highways by Assessment, by Adding Thereto a New Section Providing for the Sale by the Treasurer of Land Bid in by Him at Sale for Default of Owner.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 92 of the Revised Laws of Hawaii 1935, as amended, is hereby further amended by adding thereto a new section, to be numbered section 3206-A, and reading as follows:

"Sec. 3206-A. Sale of land bid in by treasurer at sale. Whenever any land shall have been bid in by the treasurer at any sale for default of the owner thereof, the treasurer, in making such sale thereof as may by law be authorized, may sell the same upon the following terms and conditions:

(a) a down payment at the sale of twenty percent of the purchase price;

(b) the balance payable in monthly installments of not less than one and one-third percent of the total purchase price, plus interest of five percent upon all unpaid balances;

(c) that failure for thirty days to pay any installment due shall effect an entire default of the purchaser's right, title and interest in such land and in any payments previously made by him on account thereof;

(d) subject to such building restrictions as the treasurer may prescribe;

(e) that such land when sold upon the foregoing terms and conditions shall be subject to real property taxes."

Section 2. This Act shall take effect upon its approval.

(Approved May 6, 1937.) **S.B. 371, Act 160.**

CHAPTER 93. PARK BOARD.

[B-80] An Act to Amend Sections 3220 and 3221 of the Revised Laws of Hawaii 1935, Relating to the Park Board of the City and County of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 3220 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 3220. Park board established. There is created a board which shall be known as the 'park board of the city and county of Honolulu'. The board shall consist of seven members, six of whom shall be appointed by the mayor with the approval of the board of supervisors. One of the appointive members shall be designated by the mayor as chairman of the board. The chairman of the recreation commission of the city and county shall be ex-officio a member of the park board." [L. 1931, c. 175, pt. of s. 2; R. L. 1935, s. 3220; am. L. 1937, c. 16, s. 1.]

Section 2. Section 3221 of said Revised Laws is hereby amended to read as follows:

"Sec. 3221. Term of office. The term of office of the appointive members of the park board shall be five years from and after the date of their respective appointments; provided that upon the first five appointments, one member shall be appointed for the term ending December 31, 1931, one for the term ending December 31, 1932, one for the term ending December 31, 1933, one for the term ending December 31, 1934 and one for the term ending December 31, 1935, and that the first appointment of the sixth appointive member shall be for the term ending December 31, 1942." [L. 1931, c. 175, pt. of s. 2; R. L. 1935, s. 3221; am. L. 1937, c. 16, s. 2.]

Section 3. This Act shall take effect upon its approval.

(Approved April 7, 1937.) S.B. 29, Act 16.

Title XV. COURTS.

CHAPTER 102. SUPREME COURT.

ATTORNEYS.

[C-81] An Act to Amend Section 3603 of the Revised Laws of Hawaii 1935, Relating to Qualifications of Attorneys.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 3603 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“Sec. 3603. Qualifications. The supreme court shall have the power to examine, admit and reinstate as practitioners in the courts of record such persons of good moral character who are citizens of the United States of America, and have been residents of the Territory of Hawaii for at least one year immediately preceding such examination or reinstatement, and have taken the prescribed oath of office, as it may find qualified for that purpose; and the supreme court shall have the sole power to revoke or suspend the license of any such practitioners or to dismiss or suspend them from the roll of practitioners for malpractice, fraud, deceit or other gross misconduct.

Provided, however, that nothing herein shall prevent the supreme court from admitting on motion as practitioners duly licensed attorneys from other jurisdictions upon the same conditions as attorneys licensed to practice in Hawaii are admitted in such other jurisdictions.” [C. C. 1859, s. 1065; am. L. 1921, c. 81, s. 1; R. L. 1935, s. 3603; am. L. 1937, c. 173, s. 1.]

Section 2. This Act shall take effect upon its approval but shall not apply to persons who have filed applications to take supreme court bar examinations prior to such effective date.

(Approved May 8, 1937.) S.B. 132, Act 173.

PRACTITIONERS IN DISTRICT COURTS.

[C-82] An Act to Amend Section 3613 of the Revised Laws of Hawaii 1935, Relating to Admission of District Court Practitioners.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3613** of the Revised Laws of Hawaii 1935, as amended by Act 28, Series C-89, of the Session Laws of Hawaii

1935, is hereby further amended by changing the "period", at the end of the second paragraph thereof, to a "comma" and adding the following:

"provided, that such a license issued by the judge of either the third or fourth circuit shall authorize the licensee to practice in all the district courts in the county of Hawaii."

Section 2. This Act shall take effect upon its approval.

(Approved May 8, 1937.) S.B. 404, Act 181.

CHAPTER 103. CIRCUIT COURTS.

CIRCUITS, JUDGES, SESSIONS, ETC.

[C-83] An Act to Amend Section 3632 of the Revised Laws of Hawaii 1935, Relating to First Circuit Judges, by Amending the First Paragraph Thereof.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 3632 of the Revised Laws of Hawaii 1935, is hereby amended by amending the first paragraph thereof to read as follows:

"**Sec. 3632. First circuit judges.** The circuit court of the first circuit shall consist of not more than five judges, who shall be styled first, second, third and fourth judges, and the judge of the division of domestic relations, respectively, of the circuit court of the first circuit."

Section 2. This Act shall take effect upon its approval.

(Approved April 27, 1937.) H.B. 487, Act 79.

TERMS.

[C-84] An Act to Amend Section 3642 of the Revised Laws of Hawaii 1935, by Adding Thereto a Further Proviso Relating to Sessions of the Circuit Court of the Second Circuit on the Island of Molokai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3642** of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto a further proviso to read as follows:

SERIES C-84.—Act 54]
SERIES C-85.—Act 57]
SERIES C-86.—Act 151]

“and provided further that the Circuit Court of the Second Circuit shall hold sessions on the Island of Molokai beginning on the fourth Wednesdays of January and July for the trial of, and may at such sessions commence and try, such cases only as do not require a jury, and that no jurors, grand or trial, shall be summoned for such sessions.”

Section 2. This Act shall take effect upon its approval.

(Approved April 21, 1937.) **H.B. 418, Act 54.**

CHAPTER 105. CLERKS, REPORTERS, INTERPRETERS.

[C-85] An Act Requiring Any Probation Officer of the Circuit Court of the Second Judicial Circuit Resident on Molokai to Act as Clerk of the District Magistrate of Molokai. .

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 3697A.] Section 1. [Clerk, district court of Molokai.] Any probation officer of the circuit court of the second judicial circuit resident on Molokai shall, in addition to his duties as such probation officer, act as clerk of the district magistrate of Molokai, without additional salary as such clerk.

Section 2. This Act shall take effect upon its approval.

(Approved April 22, 1937.) **H.B. 393, Act 57.**

CHAPTER 107. DISTRICT COURTS.

MAGISTRATES, TENURE, ETC.

[C-86] An Act to Amend Section 3760 of the Revised Laws of Hawaii 1935, Relating to District Magistrates, so as to Prescribe Additional Qualification for the District Magistrates of South Hilo and Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3760** of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto, at the end thereof, a proviso, reading as follows:

“Provided, that the district magistrate of South Hilo, county of Hawaii, and the first and second district magistrates of Honolulu, city and county of Honolulu, shall be attorneys licensed to practice in all the courts of the Territory.”

Section 2. This Act shall take effect upon its approval and shall apply to existing, as well as to future, appointments.

(Approved May 6, 1937.) S.B. 15, Act 151.

JURISDICTION.

[C-87] An Act to Amend Section 3764 of the Revised Laws of Hawaii 1935, as Amended, Relating to the Powers of District Magistrates.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 3764 of the Revised Laws of Hawaii 1935, as amended, is hereby further amended to read as follows:

“**Sec. 3764. Powers; witness fees.** The district magistrates shall have power to administer oaths, to perpetuate testimony under commissions issued to them from other courts, and to issue commissions for the perpetuation of testimony to be used in controversies pending before them, to grant continuances of proceedings before them, to subpoena and compel the attendance of witnesses within the circuit in which their respective districts are situated, to render final judgments, to alter any judgment within ten days following the date of its rendition for good cause shown by any party and after notice given to the opposite party, to enforce judgment and to punish contempts according to law, and to issue garnishee summons which shall be operative as to the garnishee throughout the judicial circuit in which the district court issuing the same is situated. Witnesses duly subpoenaed from a district other than the district of the magistrate issuing the subpoena shall be allowed the same attendance and mileage fees allowed witnesses subpoenaed before the circuit courts.”
[L. 1892, c. 57, s. 12; am. L. 1925, c. 145, s. 1; R. L. 1935, s. 3764; am. L. 1935, cc. 23, 110, s. 1; am. L. 1937, c. 19, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 10, 1937.) S.B. 89, Act 19.

CHAPTER 108. COSTS.**CIRCUIT AND SUPREME COURTS.**

[Sec. 3791. **Schedule.** Amended by Section 2 of Act 157, supra, page 21.]

MISCELLANEOUS.

[C-88] An Act to Amend Section 3795 of the Revised Laws of Hawaii 1935, Relating to the Exemption of the Government From the Payment of Costs and Giving Bonds.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 3795 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“Sec. 3795. **No bonds or costs to be filed or paid by government.** Neither the Territory nor any county or city and county nor any political subdivision, board or commission thereof, nor any officer, acting in his official capacity on behalf of the Territory or any county or city and county or other political subdivision, board or commission thereof, shall be taxed costs or required to pay or make any deposit for the same or file any bond in any case whether for costs, on motion for new trial, or on appeal, or upon an application for a writ of error, or upon exceptions, or for any other purpose whatsoever. In all cases in which a final judgment or decree is obtained against the Territory, county, city and county or other political subdivision or any board or commission thereof, any and all deposits for costs made by the prevailing party shall be returned to him, and he shall be reimbursed by the Territory, county, city and county, or other political subdivision or board or commission thereof, as the case may be, all actual disbursements, not including attorneys fees or commissions, made by him and approved by the court.” [L. 1907, c. 63, s. 1; am. L. 1933, c. 212, s. 1; R. L. 1935, s. 3795; am. L. 1937, c. 126, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved May 3, 1937.) S.B. 229, Act 126.

CHAPTER 109. EVIDENCE.**DOCUMENTARY EVIDENCE.**

[C-89] An Act Providing for the Admission in Evidence of Business Records.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 3836A.] Section 1. [Business Records.] Any writing or record, whether in the form of an entry in a book or otherwise,

made as a memorandum or record of any act, transaction, occurrence or event shall be admissible in evidence in proof of said act, transaction, occurrence or event, if the trial judge shall find that it was made in the regular course of any business, and that it was the regular course of such business to make such memorandum or record at the time of such act, transaction, occurrence or event or within a reasonable time thereafter. All other circumstances of the making of such writing or record, including lack of personal knowledge by the entrant or maker, may be shown to affect its weight, but they shall not affect its admissibility. The term "business" shall include business, profession, occupation and calling of every kind.

Section 2. This Act shall take effect from and after the date of its approval.

(Approved April 26, 1937.) **H.B. 174, Act 72.**

CHAPTER 112. SALARIES AND EXPENSES.

[C-90] An Act to Amend Section 3940 of the Revised Laws of Hawaii 1935, as Amended, Relating to Salaries and Expenses of Circuit Courts.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3940** of the Revised Laws of Hawaii 1935, as amended, is hereby further amended by amending the schedule of salaries and expenses therein under the heading "FIRST CIRCUIT COURT", in the following respects:

(a) By adding to the schedule a new item to read:
"First Assistant Deputy Chief Clerk.....\$250.00 \$3,000.00";

(b) By amending the item reading:
"Assistant Cashier and Bookkeeper..... 175.00 2,100.00"
to read:

"Assistant Cashier and Bookkeeper..... 200.00 2,400.00";

(c) By amending the item reading:
"Stenographer, typist, card indexer, chief
clerk's office 125.00 1,500.00"
to read:

"Stenographer, typist, card indexer, chief clerk's office	140.00	1,680.00";
(d) By amending the item (as amended by Act 34, Series C-98, Session Laws 1935) reading:		
"Probation officer (criminal division)	190.00	2,280.00"
to read:		
"Chief probation officer (for adults)	225.00	2,700.00";
(e) By amending the item (added by said Act 34) reading:		
"Assistant probation officer (criminal division)	175.00	2,100.00"
to read:		
"Deputy probation officer (for adults)	190.00	2,280.00";
(f) By amending the item (added by said Act 34) reading:		
"Clerk to probation officer	160.00	1,920.00"
to read:		
"Clerk to probation officer	175.00	2,100.00";
(g) By amending the item (added by said Act 34) reading:		
"Upkeep for cars (probation officers)	50.00	600.00"
to read:		
"Upkeep of two cars (probation officers), each	50.00	1,200.00";
(h) By deleting the item (added by said Act 34) reading:		
"Printing, stationery and other expenses (probation officers)		230.00";
(i) By adding to said schedule in lieu of the last mentioned deleted item, the following new item:		
"Assistant Clerk to probation officer	125.00	1,500.00";
(j) By amending the item reading:		
"Hawaiian interpreter	200.00	2,400.00"
to read:		
"Hawaiian interpreter	200.00	2,400.00
(if the Hawaiian interpreter is also required to act as a regular Japanese interpreter, his salary shall be \$250.00 per month)."		

Section 2. Said **section 3940**, as amended, is hereby further amended by adding to the schedule of salaries and expenses therein, under the heading "DIVISION OF DOMESTIC RELATIONS", two new items to read:

"Assistant recorder and typist, juvenile division 100.00 1,200.00";
 "Third assistant matron, shelter home..... 100.00 1,200.00".

Section 3. Said **section 3940**, as amended, is hereby further amended by amending the last paragraph thereof to read as follows:

"The above amounts shall be appropriated by the respective boards of supervisors annually at the beginning of the fiscal year for the respective county or city and county and such appropriations shall be available for use at any time during the fiscal year until exhausted. No part of any appropriation made for court expenses shall be used to augment any salary fixed under this section."

Section 4. This Act shall take effect on July 1, 1937.

(Approved May 15, 1937.) **H.B. 75, Act 215.**

[C-91] An Act to Amend Section 3940 of the Revised Laws of Hawaii 1935, Relating to Salaries and Expenses of Circuit Courts.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3940** of the Revised Laws of Hawaii 1935, is hereby amended by adding under the heading "Second Circuit Court", the following items:

	"Per month	Per annum
Expenses, Detention Home.....	\$100.00	\$1,200.00
Assistant clerk and bailiff.....	150.00	1,800.00
Assistant probation officer and assistant clerk	130.00	1,560.00
Probation officer, Molokai.....	90.00	1,080.00
Matron, Detention Home	75.00	900.00
Janitor	75.00	900.00".

Section 2. **Section 3940** of the Revised Laws of Hawaii 1935, is hereby amended by changing the following item, under the heading "Second Circuit Court"

"Probation officer (female).....	175.00	2,100.00"
to read		
"Probation officer (female).....	225.00	2,700.00".

Section 3. This Act shall take effect and be in force from and after July 1, 1937.

(Approved April 27, 1937.) **H.B. 307, Act 84.**

[C-92] An Act to Amend Section 3940 of the Revised Laws of Hawaii 1935, as Amended by Act 40 (Series C-101) of the Session Laws of Hawaii 1935, Relating to Salaries and Expenses of Circuit Courts and Court Officers.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3940** of the Revised Laws of Hawaii 1935, as amended by Act 40 (Series C-101) of the Session Laws of Hawaii 1935, is hereby further amended by amending the items under the heading "Fifth Circuit Court", to read as follows:

"FIFTH CIRCUIT COURT.

	Per Month	Per Annum
Clerk	\$225.00	\$2,700.00
Assistant clerk	175.00	2,100.00
Bailiff	125.00	1,500.00
Court reporter, librarian and assistant clerk	225.00	2,700.00
Court expenses		5,000.00
Support and care of Juvenile Court dependents and delinquents.....		2,400.00
Probation officer for boys.....	225.00	2,700.00
Probation officer for girls.....	175.00	2,100.00
Expenses, probation officer for boys.....	40.00	480.00
Expenses, probation officer for girls.....	40.00	480.00
Law books		400.00

The board of supervisors of the county of Kauai is hereby authorized and directed to provide suitable automobiles for the use of each probation officer."

Section 2. This Act shall take effect and be in force from and after July 1, 1937.

(Approved April 19, 1937.) **H.B. 131, Act 37.**

[C-93] An Act to Amend Section 3941 of the Revised Laws of Hawaii 1935, as Amended, Relating to Salaries of District Magistrates.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3941** of the Revised Laws of Hawaii 1935, as amended, is hereby amended so that the first two items therein shall read as follows:

	“Per month	Per annum
First district magistrate, Honolulu, who shall not engage in the practice of law during his term of office.....	\$ 550.00	\$6,600.00
Second district magistrate, Honolulu, who shall not engage in the practice of law during his term of office.....	550.00	6,600.00”

Section 2. This Act shall take effect from and after the 1st day of July, 1937.

(Approved May 7, 1937.) S.B. 337, Act 161.

[C-94] An Act Relating to Certain District Magistrates and Amending Section 3941 of the Revised Laws of Hawaii 1935.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 3941** of the Revised Laws of Hawaii 1935 is hereby amended by amending the item under the sub-heading “City and County of Honolulu”

“District Magistrate, Ewa..... 160.00 1,920.00”
to read

“District Magistrate, Ewa..... 200.00 2,400.00”;
and so that the next to the last item under the sub-heading “County of Hawaii” shall read as follows:

“District Magistrate, Hamakua..... 200.00 2,400.00”;
and so that the third item under “County of Hawaii” shall read as follows:

“District Magistrate, North Kona..... 130.00 1,560.00”;
and so that the fourth item under “County of Hawaii” shall read as follows:

“District Magistrate, South Kona..... 110.00 1,320.00”;
and so that the eleventh item under the sub-heading “County of Maui” will read:

“District Magistrate, Lanai..... 75.00 900.00”.

Section 2. The office of district magistrate of South Kohala is hereby declared vacant. The district magistrate of North Kohala shall in addition to the duties he now performs discharge the duties formerly appertaining to the office of the district magistrate of South Kohala. The salary of the district magistrate of North Kohala is hereby fixed at one hundred and sixty dollars (\$160.00) per month, which shall be paid by the county of Hawaii.

Section 3. This Act shall take effect July 1, 1937.

(Approved May 17, 1937.) S.B. 316, Act 224.

Title XVI. CIVIL PROCEDURE.

CHAPTER 113. CIVIL PROCEDURE IN DISTRICT COURTS.

WRITS, ETC.

[C-95] An Act to Amend Section 4000 of the Revised Laws of Hawaii 1935, Relating to Procedure in the District Courts.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4000 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Sec. 4000. Original suit. The original suit in all civil actions begun before a district court shall be a summons, a writ of replevin, a capias or an attachment, and shall be signed by the magistrate or clerk of the court, and shall contain a notification to the defendant that if he fails to attend at the time and place of trial designated in the writ, judgment will be rendered upon default according to the evidence taken ex parte. All original writs shall be returnable on the first Monday following date of service except where the district magistrate shall set some other secular day; and should such Monday be a legal holiday, then upon the next secular day. All such original writs issued out of a district court not served thirty days after the date of issue shall be returned to said district court, and no further extension of time for service be allowed." [L. 1892, c. 57, s. 14; am. L. 1915, c. 105, s. 1; am. L. 1921, c. 40, s. 1; am. L. 1923, c. 192, s. 1; R. L. 1935, s. 4000; am. L. 1937, c. 82, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 27, 1937.) **H.B. 498, Act 82.**

COSTS IN SMALL CASES.

[C-96] An Act to Amend Chapter 113 of the Revised Laws of Hawaii 1935, by Amending Section 4012 Thereof and by Adding Thereto Six New Sections to Be Known as Sections 4012-A, 4012-B, 4012-C, 4012-D, 4012-E, and 4012-F, Relating to Civil Procedure in Small Causes in District Courts.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4012 of Chapter 113 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 4012. Costs in small causes. No costs shall be taxed or charged against the defendant in any action which may be brought for the recovery of a sum less than twenty dollars, excluding interest and costs, if in such action the defendant shall show to the satisfaction of the court that the defendant did not wilfully neglect to pay the claim upon which the action was founded." [L. 1933, c. 159, s. 1; am. L. 1933, c. 187, s. 1; R. L. 1935, s. 4012; am. L. 1937, c. 104, s. 1.]

Section 2. Chapter 113 of the Revised Laws of Hawaii 1935, relating to civil procedure in district courts is hereby amended by adding thereto six new sections to be known as Sections 4012-A, 4012-B, 4012-C, 4012-D, 4012-E and 4012-F, to read as follows:

"Sec. 4012-A. Small claims; mailing notice by registered mail. In any action of assumpsit instituted for the recovery of \$50.00 or less, excluding interest and costs, or for the recovery of wages or salary in the sum of \$100.00 or less, excluding interest and costs, the action may be commenced under small claims procedure in the district court for the district wherein the defendant resides, or, if there be more than one defendant, in the district wherein any defendant resides, in the manner herein provided. The plaintiff, at the time of the filing of his complaint, and upon depositing an entry fee of \$1.00 and mailing costs, may request the clerk or district magistrate to record the filing of the action in a small claims docket, which the clerk or district magistrate shall keep especially for that purpose: and the clerk or district magistrate shall thereupon record the action in the small claims docket and mail notice of the filing of such complaint together with a copy thereof by registered mail, postage prepaid, with return receipt requested, to every defendant and garnishee named in said complaint. The notice shall provide that the hearing or determination of the claim shall be had on a date to be set out in the notice, which date shall not be less than five or more than twenty days after the mailing

of such notice. Such notice shall be signed by the clerk or district magistrate of the court in which the action is instituted. No writ of attachment shall issue in any action instituted under the small claims procedure.

“Sec. 4012-B. Effect of notice. The mailing of notice of the complaint by registered mail to the defendant at either his residence or place of business, in accordance with the provisions of Section 4012-A, and the return of the receipt signed by the defendant shall in all respects have the same effect as the service of summons in accordance with the provisions of section 4018. At the election of the plaintiff, in any action commenced under the small claims procedure, service of summons in the manner provided by chapter 113 may be made upon payment by the plaintiff of the cost of such service of summons, but such service shall be made not more than thirty (30) days after the filing of the action.

The procedure after the commencement of the action, whether by mailing of notice by registered mail or by service of summons, shall in all respects be the same as in all other actions in the district court save and except as provided herein.

“Sec. 4012-C. Garnishment. It shall not be incumbent upon the garnishee to appear in any court or file any answer to a notice by registered mail in accordance with the provisions of this chapter, but from the time of the receipt of notice the garnishee shall otherwise have all of the duties and be subject to all of the provisions of chapter 121, or, if the defendant be a government beneficiary, then subject to the provisions of chapter 122, as fully as though service of summons or process had been made on such garnishee in the manner provided in and by chapter 121 or 122.

In the case of successive actions being brought wherein the same garnishee and the same defendant are named, precedence shall be given by the garnishee to the demand in the action wherein the notice is first received or service is first made on the garnishee. If two or more notices are received simultaneously by the garnishee, or a notice and summons are received simultaneously, then precedence shall be given to the action first filed in the district court. In all other respects the provisions of section 4276 shall be applicable to successive actions brought under the provisions hereof.

“Sec. 4012-D. Appeal. Any plaintiff beginning a cause under the small claims procedure shall be deemed to have waived any right to appeal. Any defendant shall have the right to appeal from any judgment entered in any cause brought under the small claims procedure in the same manner as is provided by section 3500. Upon any such appeal plaintiff shall have all the rights and privileges as if the action had been instituted under the regular procedure.

"Sec. 4012-E. Costs and fees. Except as otherwise provided, the docket fee and mailing costs shall be the only costs paid by the plaintiff for all services of the district court, magistrate and the clerk in any small cause commenced under the provisions hereof and said docket fee shall include all services referred to in the first paragraph of section 3790. Unless the defendant shall appear and deny that he is indebted to the plaintiff, there shall be no further or additional statutory fees or statutory costs of any kind or nature taxed against the defendant, save and except statutory fees and statutory costs upon execution. In the event the defendant denies liability, all other statutory fees including service fees, if any, witness fees and attorney's commissions, shall be taxed in the same manner as in actions instituted under the regular procedure. Costs shall be taxed against the losing party as in all other cases, provided, however, that the provisions of sections 4007 and 4012 shall be applicable to causes brought under the small claims procedure upon compliance with the provisions of said sections.

"Sec. 4012-F. Rules. For the more effective carrying out of the purposes of sections 4012-A to 4012-F inclusive, the justices or a majority of them of the supreme court of the Territory of Hawaii may make such uniform rules governing the procedure in small cases not inconsistent with the provisions hereof as the said justices shall see fit."

Section 3. This Act shall become effective sixty days after its approval.

(Approved April 28, 1937.) H.B. 391, Act 104.

REMEDIES OF LANDLORDS.

[C-97] An Act to Provide That Certain Tenancies May Be Terminated by Reason of Any Forfeiture as Herein Defined, and to Provide Procedure for Termination, by Amending Chapter 113, Revised Laws of Hawaii 1935, and Inserting Therein a New Section to Be Numbered "Section 4017-A".

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 113, Revised Laws of Hawaii 1935, is hereby amended by inserting therein a new section to be numbered "Section 4017-A", to read as follows:

"Section 4017-A. Forfeiture, warning, notice to vacate, refunds. Any tenancy created by or described in Section 4017 shall be subject to forfeiture where the tenant or any invitee or em-

ployee of the tenant shall commit any act, or cause any condition to exist, within or upon the rented premises which act or condition is defined as the offense of common nuisance in Section 5700. A written notice shall first be delivered by the landlord to the tenant warning the tenant to abate or cause to be abated such common nuisance within twenty-four hours from the time such notice is delivered. If the common nuisance complained of remains unabated after twenty-four hours from the time such notice is delivered to the tenant, the landlord may terminate the tenancy by a written notice to vacate the premises within five days from the date such second notice is delivered to the tenant. Where rent has been paid in advance by the tenant refund shall be made by the landlord of the amount of rent so paid covering the period from the date such rent was paid to and including the date the premises are vacated. If the tenant shall fail or refuse to vacate the premises within five days from the date of delivery of such second notice, then in case rent has been paid in advance, the landlord shall make a tender of the amount of the refund of rent to which the tenant would have been entitled had he vacated the premises upon the date the notice to vacate was delivered to him. Thereafter, upon the continued failure or refusal on the part of the tenant to vacate, the landlord may proceed, without further notice, to evict the tenant in any manner authorized by law."

Section 2. This Act shall take effect upon its approval.

(Approved May 12, 1937.) **H.B. 514, Act 209.**

CHAPTER 114. CIVIL PROCEDURE, GENERAL.

CALENDAR.

[C-98] An Act to Amend Section 4106 of the Revised Laws of Hawaii 1935, Relating to Order of Trial Cases.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4106 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 4106. Cases tried in order unless postponed or advanced. Causes placed on the calendar shall be taken up and disposed of in the order in which they stand unless postponed or advanced by the court upon its own motion or at the request of the plaintiff or the

defendant. A cause remaining untried for a period of six years after it has been placed on the calendar without action of the defendant to delay or postpone trial shall stand dismissed with prejudice for want of prosecution without the necessity of entering any order of dismissal."

Section 2. For the purposes of the limitation period imposed by this Act, all pending causes shall be considered as having been filed upon the effective date of this Act. [C. C. 1859, s. 1162; R. L. 1935, s. 4106; am. L. 1937, c. 117, s. 1.]

Section 3. This Act shall take effect upon its approval.

(Approved April 30, 1937.) **S.B. 340, Act 117.**

CHAPTER 115. JUDGMENT, NEW TRIAL, EXECUTION.

EXEMPTIONS.

[C-99] An Act to Amend Section 4160 of the Revised Laws of Hawaii 1935, Relating to Exemptions.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4160 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"Section 4160. Housekeeper and Family. The following property, when owned by any person being a housekeeper, and having a family, shall be exempt from levy and sale on execution: one piece of land not to exceed one acre, and the dwelling house and other buildings thereon situated; provided the value thereof shall not exceed Three Thousand Dollars. This exemption shall not apply to claims of mechanics and materialmen for labor performed and material furnished in the erection of such buildings." [C. C. 1859, s. 1035; am. L. 1876, c. 1; am. L. 1917, c. 141, s. 1; R. L. 1935, s. 4160; am. L. 1937, c. 44, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 20, 1937.) **H.B. 32, Act 44.**

CHAPTER 119. ESCHEAT.**UNCLAIMED MONEYS.**

[C-100] An Act to Amend Section 4236 of the Revised Laws of Hawaii 1935, as Amended by Act 192 of the Session Laws of Hawaii 1935, Relating to the Escheat of Moneys on Deposit with Banks, Trust Companies and Fiduciary Companies.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 4236** of the Revised Laws of Hawaii 1935, as amended by Act 192 of the Session Laws of Hawaii 1935, is hereby further amended to read as follows:

“Sec. 4236. Duty of banks, etc., to report inactive accounts. It shall be the duty of every bank, except banks organized under the laws of the United States, trust company and fiduciary company doing business in the Territory to submit, as of July 1st of each even numbered year and on or before July 15th of each such even numbered year, a written report, in duplicate, to the territorial treasurer showing all accounts on deposit with it where the present address of the owner thereof is unknown and where no deposits have been made therein and no withdrawals or disbursements have been made therefrom for a period of ten years after the date of such deposit or withdrawal, giving the name of the last known owner of the account and his address, showing the amount standing to the credit of such person, including principal and interest.” [L. 1933-4, c. 15, s. 1; R. L. 1935, s. 4236; am. L. 1935, c. 192, s. 1; am. L. 1937, c. 74, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **S.B. 327, Act 74.**

Title XVII. DOMESTIC RELATIONS.

CHAPTER 128. ANNULMENT, DIVORCE AND SEPARATION.

PART 3. SEPARATION.

[C-101] An Act Providing That Suit by a Wife for Separate Maintenance May Be Brought in Her Own Name.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 4484A.] Section 1. [Wife may bring suit in own name.] Whenever any married woman shall have the right to sue for separate maintenance, she may bring the suit therefor in her own name.

Section 2. This Act shall take effect from and after the date of its approval.

(Approved April 20, 1937.) H.B. 72, Act 45.

CHAPTER 132. INDUSTRIAL AND REFORMATORY SCHOOLS.

LABOR BY CHILDREN.

[C-102] An Act to Amend Section 4592 of the Revised Laws of Hawaii 1935, Relating to Industrial Schools.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4592 of the Revised Laws of Hawaii 1935 is hereby amended by deleting therefrom that portion thereof, in the third line of said section, which reads as follows:

“and who shall have then served not less than one year in such school.”.

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) S.B. 398, Act 98.

HOME PLACEMENTS.

[C-103] An Act to Amend Chapter 132 of the Revised Laws of Hawaii 1935, Relating to Industrial and Reformatory Schools by Adding a New Section Thereto to be Known as Section 4602 so as to Empower the Board of Industrial Schools to Place Children Under its Care in Suitable Homes for the Purposes Mentioned in this Act.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 132 of the Revised Laws of Hawaii 1935 is hereby amended by adding a new section thereto to be known as section 4602 to read as follows:

"Sec. 4602. Home placements. The board, or its agents, if authorized by the board, shall have the discretionary power to place any child, who shall be committed or surrendered to the board under this chapter, in suitable homes for the purpose of securing to such child the benefits of schooling and a normal home life. Any action taken under this section shall be in the nature of a parole, and shall be revocable at any time at the discretion of the board. Funds appropriated under the item 'Home Placements' and any other funds obtained for home placements may be used by the board to effectuate the purpose of this section."

Section 2. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **S.B. 406, Act 182.**

CHAPTER 133. JUVENILE COURTS.

[C-104] An Act to Amend Section 4618 of the Revised Laws of Hawaii 1935, Relating to the Care and Custody of Delinquent and Dependent Children and Expenses.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4618 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 4618. Care and custody of dependent and delinquent children; expenses. A delinquent or dependent child while under the orders of the judge, shall be in the care and custody of the probation officer or such other person or institution as the judge may designate, and all necessary expenses incurred in the proper care of such child shall be paid out of such moneys as may be appropriated for the expenses of circuit courts; provided, however,

that the judge may, at any time, cite the parent or parents of the child to appear before him to show cause why the parent or parents should not pay such sum or sums as may be in the discretion of the judge necessary for the maintenance and support of the child. The judge may make such orders for the maintenance and support of the child as the judge may deem just and reasonable, having regard to the financial ability of the parent or parents and all other circumstances of the case, and may enforce the orders by summary process; provided, further, however, that no judge or probation officer shall be entitled to receive any compensation for any services performed under this chapter, except as otherwise provided for by law." [L. 1909, c. 22, s. 8; am. L. 1931, c. 235, pt. of s. 1; R. L. 1935, s. 4618; am. L. 1937, c. 94, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 53, Act 94.**

CHAPTER 134. MARRIAGE; MARRIED WOMEN; NAMES.

[C-105] An Act to Amend Section 4630 of the Revised Laws of Hawaii 1935, as Amended by Act 185, Series C-112, of the Session Laws of Hawaii 1935, Relating to Requisites of a Valid Marriage Contract, so as to Raise the Minimum Age for Women to Sixteen Years.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 4630** of the Revised Laws of Hawaii 1935, as amended by Act 185, Series C-112, of the Session Laws of Hawaii 1935, is hereby amended by substituting, for the word "fifteen", in the ninth line of said section as so amended, the word "sixteen".

Section 2. This Act shall take effect upon its approval.

(Approved April 22, 1937.) **S.B. 213, Act 59.**

MARRIAGE LICENSES.

[C-106] An Act to Amend Section 4634 of the Revised Laws of Hawaii 1935, Relating to Marriage Licenses and the Fees Thereof.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4634 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 4634. Agent to grant; fee. The president of the board of health shall appoint, and at his pleasure remove, one or more suitable persons as agents in each judicial circuit, whose special duty shall be to grant marriage licenses, pursuant to the provisions of this chapter. Upon the filing of an application for a license to marry, the agent shall collect from the parties making the application the sum of two dollars. Of this amount, the agent shall remit to the treasurer of the Territory, as a general realization, the sum of one dollar and shall retain, as and for his compensation, the remaining sum of one dollar. Every agent is authorized to administer the oaths required to be taken by this chapter." [P. C. 1869, c. 55, s. 14; am. L. 1905, c. 11, s. 1; am. L. 1917, c. 189, s. 1; am. L. 1921, c. 121, s. 1; am. L. 1929, c. 104, s. 2; am. L. 1932, 2d, c. 34, s. 1; R. L. 1935, s. 4634; am. L. 1937, c. 36, s. 1.]

Section 2. This Act shall take effect July 1, 1937.

(Approved April 19, 1937.) S.B. 240, Act 36.

[Sec. 4634 also amended by Section 7, Act 122, supra, page 42.]

Title XVIII. EQUITY AND PROBATE.

CHAPTER 136. FORECLOSURE OF MORTGAGES.

BY SALE, UNDER POWER.

[C-107] An Act to Amend Section 4724 of the Revised Laws of Hawaii 1935, Relating to Mortgage Foreclosures.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 4724 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 4724. [Notice of foreclosure; affidavit after sale.] When a power of sale is contained in a mortgage, the mortgagee, or any person having his estate therein, or authorized by such power to act in the premises, may, upon a breach of the condition, give notice of his intention to foreclose the mortgage and of the sale of the mortgaged property, by publication of such notice in the English language once in each of three successive weeks (three publications), the last publication to be not less than fourteen days before the day of sale, in a daily newspaper published either in the county in which the mortgaged property lies, or in Honolulu, and having a circulation in such county, provided, that, where no daily newspaper is published, such notice may be given in any newspaper; and also give such notices and do all such acts as are authorized or required by the power contained in the mortgage. Any sale, of which notice has been given as aforesaid, may be postponed from time to time by public announcement made by the mortgagee or by some person acting on his behalf. He shall, within thirty days after selling the property in pursuance of the power, file a copy of the notice of sale and his affidavit, setting forth his acts in the premises fully and particularly, in the bureau of conveyances. The affidavit and copy of the notice shall be recorded by the registrar, with a notice of reference thereto in the margin of the record of the mortgage, if recorded in said bureau of conveyances." [L. 1874, c. 33, s. 1; am. L. 1907, c. 59, s. 1; am. L. 1911, c. 108, s. 1; am. L. 1915, c. 121, s. 1; R. L. 1935, s. 4724; am. L. 1937, c. 138, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **S.B. 194, Act 138.**

CHAPTER 139. PROBATE: JURISDICTION AND PROCEDURE.

EXECUTORS AND ADMINISTRATORS.

[C-108] An Act to Amend Chapter 139 of the Revised Laws of Hawaii 1935, Relating to Probate Jurisdiction and Procedure, by Adding a New Section Relating to the Continuance of Partnerships by Executors and Administrators.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 139 of the Revised Laws of Hawaii 1935 is amended by adding thereto a new section to be numbered 4780-A and reading as follows:

“Sec. 4780-A. Continuance of partnership: When at the time of his death the decedent was a member of a partnership, and under the terms of the will of the decedent the executor is authorized to continue the business of the partnership, or under the terms of the articles or agreement of partnership provision is made for the continuance of the partnership after the death of any partner, or if it shall appear to be to the best interests of the estate, the executor or administrator may, by order of the probate court made either ex parte or upon such notice as the court may direct, under such terms, conditions and agreements as may be approved by the court, and with the approval of the remaining partner or partners, be authorized to become or continue to be a special partner in the partnership upon compliance with the provisions of chapter 225.”

Section 2. This Act shall take effect upon its approval.

(Approved April 15, 1937.) S.B. 217, Act 29.

Title XIX. LAND COURT: REGISTRATION OF CONVEYANCES; NOTARIES, ETC.

CHAPTER 145. BUREAU OF AND REGISTRATION OF CONVEYANCES.

FEEES.

[C-109] An Act to Amend Section 5128 of the Revised Laws of Hawaii 1935, Relating to Duties of Registrar, so as to Provide for a Fee for the Filing of a Release, Discharge or Discontinuance of Notice Lis Pendens and Also to Provide for a Charge for the Filing of a Partial Release of District or Circuit Court Judgments.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 5128** of the Revised Laws of Hawaii 1935 is hereby amended by adding a new paragraph to be known as paragraph 7(a) to read as follows:

“7(a). For the filing of a release, discharge or discontinuance of notice lis pendens, fifty cents;”.

Section 2. Paragraph 11 of **Section 5128** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“11. For filing of assignment, release or partial release of district court or circuit court judgment, fifty cents.”

Section 3. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 368, Act 110.**

[**C-110**] An Act to Amend Chapter 145 of the Revised Laws of Hawaii 1935, Relating to the Bureau of and Registration of Conveyances.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 5128**, Revised Laws of Hawaii 1935, is hereby amended by adding thereto, following paragraph 13, a new paragraph to read as follows:

“For the purpose of computing recording charges a word shall be defined as any group of letters, numerals or symbols, in combinations in general use, between two spaces”.

Section 2. Section 5149 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“**Sec. 5149. Noted in record.** Each and every interlineation, erasure or change made in any record in the bureau of conveyances shall be indicated and initialed in the margin by the registrar or his deputy.”

Section 3. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **S.B. 369, Act 178.**

Title XXI. CRIMINAL PROCEDURE.

CHAPTER 158. BAIL, BOND TO KEEP THE PEACE.

BOND TO KEEP THE PEACE.

[C-111] An Act to Amend Sections 5453 and 5455 of the Revised Laws of Hawaii 1935, Relating to Bonds to Keep the Peace.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Sections 5453 and 5455 of the Revised Laws of Hawaii 1935 are hereby amended to read as follows, respectively :

"Sec. 5453. Bond not executed. If the bond be not executed according to the order of the magistrate, the prisoner shall be committed to prison and shall remain in custody until the bond be so executed, such custody not to exceed the term for which the bond shall operate. The magistrate may, for good cause shown, release the prisoner from such custody at any time prior to the expiration of such term." [P. C. 1869, c. 47, s. 3; am. L. 1911, c. 33, s. 1; R. L. 1935, s. 5453; am. L. 1937, c. 17, s. 1.]

"Sec. 5455. Term and renewal of bond. The bond shall be limited in its operation to a term not exceeding one year, the same to be fixed by the magistrate, and at any time within thirty days of the expiration of such term, the complainant may renew his application, and the order for security may be renewed on the oath of such complainant, declaring that he still fears the execution of the prisoner's former designs, provided the magistrate, after hearing the circumstances of the case, shall deem such fear well founded." [P. C. 1869, c. 47, s. 5; R. L. 1935, s. 5455; am. L. 1937, c. 17, s. 2.]

Section 2. This Act shall take effect upon its approval.

(Approved April 9, 1937.) **S.B. 115, Act 17.**

CHAPTER 159. CRIMINAL PROCEDURE: DISTRICT COURTS.

SUSPENSION OF SENTENCE.

[C-112] An Act to Amend Section 5479 of the Revised Laws of Hawaii 1935 Relating to Suspension of Sentence by Magistrates in Criminal Cases.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 5479** of the Revised Laws of Hawaii 1935 is hereby amended by adding at the end thereof the following sentence:

“The magistrate may direct, as one of the terms and conditions of the suspension of sentence, periodical or intermittent confinement of such person in jail.”

Section 2. This Act shall take effect upon its approval.

(Approved April 30, 1937.) **S.B. 356, Act 120.**

CHAPTER 160. CRIMINAL PROCEDURE: CIRCUIT COURTS

PROBATION AND SUSPENSION.

[C-113] An Act to Amend Section 5537 of the Revised Laws of Hawaii 1935, Relating to Suspension of Imposition or Execution of Sentence and Probation.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 5537** of the Revised Laws of Hawaii 1935 is hereby amended by deleting the second paragraph thereof and inserting, in lieu thereof, the following paragraph:

“The court may from time to time revoke or modify any condition of probation, or may change the period of probation. The period of probation, together with any extension thereof, shall not exceed five years; provided, however, that if the defendant be a minor, the court may direct, as one of the terms and conditions of probation, that the defendant be committed to an industrial school for his minority, subject to the provisions of sections 4596 to 4599, inclusive, of the Revised Laws of Hawaii 1935, and of Act 35 of the Session Laws of Hawaii 1935; and provided, further, that if paroled during minority, the defendant will be returned to the

jurisdiction of the circuit court which committed him. The court may from time to time direct, as one of the terms and conditions of probation of any defendant not committed to an industrial school, periodical or intermittent confinement in any county or city and county jail."

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 90, Act 95.**

CAPITAL PUNISHMENT.

[C-114] An Act Providing Penalties for the Commission, by Minors Under Eighteen Years of Age, of Offenses Carrying the Penalty of Death.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 5543A.] Section 1. [Minors excepted.] No minor child under the age of eighteen years, who shall be convicted of any criminal offense the penalty whereof includes the death penalty, shall be sentenced to death, notwithstanding any other provision of law to the contrary; but such minor, upon such conviction, shall be punished by imprisonment for life or any number of years.

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 502, Act 102.**

[C-115] An Act to Amend Chapter 160 of the Revised Laws of Hawaii 1935, by Adding Thereto Six New Sections to be Numbered Sections 5545A, 5545B, 5545C, 5545D, 5545E and 5545F, Relating to the Determination of the Insanity of a Convict Sentenced to Death.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 160 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto six new sections to be numbered sections 5545A, 5545B, 5545C, 5545D, 5545E and 5545F, and to read as follows:

"Sec. 5545A. Determination of insanity of convict. Whenever a convict is sentenced to death, the governor, upon receipt of

official notice of such sentence, shall forthwith appoint a commission of five duly licensed physicians to examine such convict and to conduct such investigation as may be necessary in order to determine whether or not he is presently insane. All of such physicians shall be qualified as examiners in insanity and not more than two of them shall be selected from the medical staff of the territorial hospital. The governor shall be the sole judge of the qualifications of the members of such commission. The governor shall designate one of the members of such commission as chairman. In every such case such convict may be placed in detention in the territorial hospital or elsewhere as the governor may direct for the purpose of such examination for a period of ten days or until completion of such examination if not concluded within said period of ten days. Upon the completion of such examination and investigation, the commission shall file with the governor a written report setting forth, among other things, its findings and its conclusion and the reasons therefor.

“Sec. 5545B. Hearing, witnesses, etc. Every commission appointed under the provisions of the foregoing section shall hold such hearings as it may deem advisable. Such commission shall have power to take the testimony of witnesses in the same manner as any court and shall not be bound by the strict legal rules of evidence. Such commission and each member thereof shall have the same powers respecting the administering of oaths, compelling the attendance of witnesses, the production of documentary evidence and the examination of witnesses as are possessed by a circuit judge at chambers. If any person subpoenaed as a witness to attend before such commission or to produce any books, papers or records called for by the process of such commission shall fail or refuse to respond thereto or refuse to answer questions propounded by any member thereof or by the attorney general or any of his deputies material to its investigation, the circuit court of the first judicial circuit, upon the request of such commission, shall have power to compel obedience to any process of such commission and require such witness to answer questions put to him as aforesaid, and to punish, as a contempt of the court, any refusal to comply therewith without good cause shown therefor. Whenever requested by such commission, the attorney general or any of his deputies shall attend the hearings of such commission. Such commission shall also have power to engage the services of a stenographic reporter to take notes and to transcribe the same.

“Sec. 5545C. When convict found insane, governor to stay execution. If the conclusion of the majority of such commission

is that such convict is presently insane, the governor shall, by appropriate action, stay the execution of the death penalty. Such convict, so found to be insane, may be kept in detention at the Oahu Prison, in the territorial hospital or elsewhere as the governor may direct.

“Sec. 5545D. Determination of restoration to sanity; when convict restored, governor to order execution. Whenever, after a finding of insanity, the warden and the physician of Oahu Prison shall certify to the governor that, in their opinion, such convict is restored to sanity, the governor shall direct such commission to again examine such convict and to conduct such investigation as may be necessary in order to determine whether or not he is restored to sanity, and, with respect thereto, the governor and such commission shall have the same powers and shall be subject to the same duties as are set forth in sections 5545A and 5545B. If the conclusion of the majority of such commission is that such convict is restored to sanity, the governor shall issue a warrant for the execution of the death penalty.

“Sec. 5545E. Disqualification or inability of member to serve, new member to be appointed. Whenever any member of such commission becomes disqualified for any reason sufficient to the governor or becomes unable to serve because of disability, absence or for any other reason sufficient to the governor, the governor shall appoint a new member to serve in the place of such member so disqualified or unable to serve.

“Sec. 5545F. Expenses of commission. Every member of such commission shall be allowed traveling expenses at the rate of twenty cents a mile where the same is not otherwise provided for, and every member thereof who is not a member of the medical staff of the territorial hospital shall be allowed compensation not exceeding two hundred and fifty dollars for each examination and investigation, the same to be fixed by the governor. The expenses of the commission and the compensation of its members who are entitled to the same shall be paid from the appropriation for current expenses of Oahu Prison.”

Section 2. Nothing in this Act shall be construed as superseding the power of the governor to grant a pardon or reprieve to such convict or to commute the sentence of such convict.

Section 3. This Act shall take effect upon the date of its approval and shall be applicable to any convict upon whom the death penalty has been imposed and which penalty has not been executed.

CHAPTER 161. FINES AND COSTS.

[C-116] An Act to Amend Section 5552 of the Revised Laws of Hawaii 1935, Relating to Poor Convicts Imprisoned for Failure to Pay Fine or Costs.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 5552 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

“Sec. 5552. Discharge of poor convicts. When a poor convict, sentenced by any court of the Territory to be imprisoned and pay a fine, or fine and costs, or to pay a fine, or fine and costs, has been confined in prison thirty days, solely for the nonpayment of such fine, or fine and costs, such convict may make application in writing to the circuit court of the judicial circuit where he is imprisoned setting forth his inability to pay such fine, or fine and costs, and after notice to the prosecuting attorney of such judicial circuit, who may appear, offer evidence, and be heard, the court shall proceed to hear and determine the matter. If on examination it shall appear to the court that such convict is unable to pay such fine, or fine and costs, and that he has not any property exceeding twenty dollars in value, except such as is by law exempt from being taken on execution for debt, the court shall direct the clerk thereof to administer to him the following oath:

‘I do solemnly swear that I have not any property, real or personal, to the amount of twenty dollars, except such as is by law exempt from being taken on civil process for debt; and that I have no property in any way conveyed or concealed, or in any way disposed of, for my future use or benefit. So help me God.’ Upon taking such oath such convict shall be discharged; and the court shall give to the officer charged with the duty of detaining such convict in jail a certificate setting forth the facts.” [P. C. 1869, c. 51, s. 2; am. L. 1870, c. 26, s. 2; am. L. 1905, c. 33, s. 2; R. L. 1935, s. 5552; am. L. 1937, c. 153, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved May 6, 1937.) S.B. 224, Act 153.

[C-117] An Act to Amend Section 5553 of the Revised Laws of Hawaii 1935, Relating to the Working Out of Fines and Costs by Imprisonment.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 5553** of the Revised Laws of Hawaii 1935 is hereby amended by substituting for the words "one dollar", in the last line thereof, the words "two dollars".

Section 2. This Act shall take effect upon its approval.

(Approved April 22, 1937.) S.B. 220, Act 60.

Title XXII. CRIMINAL OFFENSES.

CHAPTER 170. COMMON NUISANCE.

[C-118] An Act Relating to Carrying Deadly Weapons and Providing Punishments Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 170 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto, to be known as section 5713-A, and to read as follows:

"Section 5713-A. Carrying deadly weapons; punishment. Any person not authorized by law, who shall carry concealed upon his person or within any vehicle used or occupied by him, or who shall be found armed with, any dirk, dagger, blackjack, slug shot, billy, metal knuckles, pistol, or other deadly or dangerous weapon, shall be guilty of a misdemeanor and shall be fined not more than two hundred and fifty dollars, or imprisoned for a term not exceeding one year, or by both such fine and imprisonment; and any such person may be immediately arrested without warrant by the high sheriff, or any sheriff, policeman, or other officer or person. Any weapon, above enumerated, shall, upon conviction of the one carrying or possessing same under this section, be summarily destroyed by the Chief of Police or Sheriff."

Section 2. This Act shall take effect from and after the date of its approval.

(Approved May 3, 1937.) H.B. 24, Act 123.

CHAPTER 179. DISINTERMENT OF HUMAN BODIES.

[C-119] An Act to Amend Sections 5800 and 5801 of the Revised Laws of Hawaii 1935, Relating to the Disinterment of Human Bodies, and Providing for an Application, Permit, Fee or Waiver of Fee Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 5800 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 5800. Without permit of registrar general, prohibited. Application. No corpse, nor the remains of any dead human body, exclusive of ashes, shall be exposed, disturbed or removed from its place of burial, nor shall the receptacle, container or coffin holding the remains or corpse be opened, removed or disturbed after due interment, except upon written application made to the registrar general of births, deaths and marriages for a permit therefor and upon the issuance and according to the terms of a permit granted therefor by the said registrar general. After any removal or disturbance the grave shall be filled at once and restored to its former condition." [L. 1921, c. 111, s. 1; R. L. 1935, s. 5800; am. L. 1937, c. 195, s. 1.]

Section 2. Section 5801 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 5801. Fee. A fee of five dollars shall be charged by the registrar general for the issuing of such permit, the fee to be paid and accounted for to the treasury of the Territory, provided, however, that, subject to the provisions of section 5800 of this chapter, the registrar general shall issue a permit, free of charge, to any municipal, territorial or federal officer, acting in his official capacity, or to representatives of the consular corps, or to any domestic or foreign corporation, association or organization not operated for profit which engages in public charity." [L. 1921, c. 111, s. 2; R. L. 1935, s. 5801; am. L. 1937, c. 195, s. 2.]

Section 3. This Act shall take effect July 1, 1937.

(Approved May 10, 1937.) S.B. 248, Act 195.

CHAPTER 198. MALICIOUS INJURY, ETC.

TAMPERING WITH ELECTRICAL EQUIPMENT.

[C-120] An Act Making It Unlawful to Interfere or Tamper With Electric Wires or Meters or to Divert Electric Current and Providing a Penalty Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 6093.] Section 1. [Tampering with electrical equipment; penalty.] Whoever wilfully or maliciously injures or destroys or intentionally permits to be injured or destroyed, disconnects, displaces, cuts, breaks, taps, grounds or makes a connection with, or wilfully or maliciously interferes with, any pole, pier, cable, tower, wire, legally erected. put or strung, electrical apparatus, appliance or machinery used in the construction or operation of an electric railway, electric light plant, plant used in generating or transmitting electricity, or any meter, pipe, conduit, wire, line, post, lamp, burner, heater, machine, motor, or other appliance or apparatus used in the construction or operation of any such electrical railway or electrical plant, or wilfully or maliciously prevents any electric meter used in the construction or operation of any such electrical railway or electrical plant from duly registering the quantity of electricity supplied, or interferes with the proper action or just registration by such meter or alters the index in such manner, or without the consent of the owner of such electrical railway or electrical plant wilfully or maliciously diverts electric current from any such wire or otherwise wilfully or maliciously uses or causes to be used without the consent of the owner of such railway or electrical plant, electricity manufactured or distributed by any such electrical railway or electrical plant, shall be fined not more than one thousand dollars, or imprisoned not more than one year, or both.

[Sec. 6094.] Section 2. [Same; conspiracy; penalty.] Whoever having in his possession, or under his control, a meter used in the construction or operation of an electrical railway, electrical light plant, or plant used in generating or transmitting electricity, wilfully permits any person unlawfully and without the consent of the owner of such meter to disconnect, change, alter or interfere with the wires running into such meter so as to divert current and prevent such meter from duly registering the quantity of electricity supplied, or wilfully or maliciously aids, agrees with, employs, or conspires with any person to do any

of the aforementioned acts, shall be fined not more than one thousand dollars, or imprisoned not more than one year, or both.

Section 3. This Act shall take effect upon approval.

(Approved May 5, 1937.) **H.B. 516, Act 145.**

CHAPTER 207. SABBATH VIOLATIONS.

[C-121] An Act to Amend Section 6211 of the Revised Laws of Hawaii 1935 Relating to Labor on Sunday.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6211** of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto at the end thereof a proviso reading as follows:

‘And provided, further, that except as forbidden by the liquor laws of the Territory of Hawaii, during the visit of the United States Naval Fleet in Hawaiian waters and also during the visit of cruise ships at any territorial port, all stores in the city and county or county in any port of which any ship of such fleet or any cruise ship is then visiting may operate and carry on business on Sunday’.

Section 2. This Act shall take effect upon its approval.

(Approved April 21, 1937.) **H.B. 147, Act 53.**

Title XXIII. PRISONS.

CHAPTER 217. PRISONS, JAILS, ADMINISTRATION; PRISONERS

[C-122] An Act to Amend Chapter 217 of the Revised Laws of Hawaii 1935, by Adding a New Section Thereto to be Known as Section 6405-B, Relating to the Transfer of Prisoners in Territorial Prisons to the Territorial Hospital for Observation and Treatment.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 217 of the Revised Laws of Hawaii 1935 is hereby amended by adding a new section thereto to read as follows:

"Sec. 6405-B. Transfer to territorial hospital. Upon receiving an application made by the board of prison directors, which application shall be accompanied by a certificate of the prison's physician, the governor may direct the warden or other official having custody of any prisoner convicted of a felony and incarcerated in a territorial prison to cause such prisoner to be removed to the territorial hospital for treatment or observation, there to be kept until, in the judgment of the medical director of the hospital, the prisoner shall be restored to sanity, or until the purposes of the observation or treatment shall have been completed, or until the maximum sentence, (without deduction for good time or commutation of sentence) shall have been served. Any such prisoner who may be discharged before the expiration of the maximum term of imprisonment shall be returned to the territorial prison to serve the remainder of his term, or such portion thereof as may be determined upon by the board of prison directors pursuant to law."

Section 2. This Act shall take effect upon its approval.

(Approved April 20, 1937.) S.B. 182, Act 38.

Title XXIV. CORPORATIONS— PARTNERSHIPS.

CHAPTER 218. BANKS: HAWAII BANK ACT OF 1931.

RESERVE REQUIREMENTS AND RESERVE BANKS.

[D-123] An Act to Amend Section 6548 of the Revised Laws of Hawaii 1935, Relating to and Regulating the Amount of Funds That May Be Deposited by a Bank in Another Bank.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6548** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6548. Deposit in approved bank of funds. No bank mentioned or defined in sections 6501, 6502, 6503 or 6505 of this chapter shall deposit any of its funds with another bank, except in a federal reserve bank, unless such other bank has been designated a depository for the bank's funds by a vote of a majority of the directors of the depositing bank, in which case such bank shall not deposit therewith funds, in an amount in excess of twenty-five per centum of its paid-up and unimpaired capital and surplus, or allocated aggregate paid-up capital and surplus, provided, however, that if the receiving bank, so designated, has been approved by the treasurer as a reserve bank for the purpose of receiving the depositing bank's reserve funds such depositing bank may deposit with such receiving bank funds in an amount equal but not to exceed one hundred per centum of its paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus; provided, further, however, that the aggregate of all deposits in banks not chartered under the laws of the United States, or any state or territory in the United States, shall at no time exceed one hundred per centum of the aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus. The treasurer shall have the power to waive temporarily the foregoing restrictions, (at no one time to exceed sixty days), upon conclusive proof having been submitted to him that an emergency exists and that the interests of all concerned will be better served by such temporary waiver of the restrictions imposed by this section."

Section 2. Every bank now existing and doing business within this Territory and subject to this Act shall, on or before January 1, 1938, conform to the requirements of this Act and shall,

by said time, make its business conform in all respects to the requirements of this Act; provided, that an extension of time beyond January 1, 1938, may be granted by the treasurer of the Territory upon good cause being shown therefor, not in any case to exceed six additional months. [L. 1931, c. 177, s. 48; R. L. 1935, s. 6548; am. L. 1937, c. 62, s. 1.]

Section 3. This Act shall take effect upon its approval.

(Approved April 23, 1937.) S.B. 203, Act 62.

LIMITATIONS ON BORROWED MONEY AND PUBLIC FUNDS AND PLEDGING OF ASSETS.

[D-124] An Act to Amend Chapter 218 of the Revised Laws of Hawaii 1935 by Adding Thereto a New Section to Be Numbered Section 6553-A Relating to Limitations on the Loans and Investments of Banks.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 218 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be numbered section 6553-A and to read as follows:

"Sec. 6553-A. Limitations on loans and investments of banks. No bank operating both a commercial department, whose loans and investments are defined and limited by section 6554, as amended, and a savings department, whose loans and investments are defined and limited by section 6579, as amended, shall directly or indirectly loan or invest the assets of either or both of said departments in an aggregate amount in excess of the limitations imposed by either of said sections."

Section 2. **Scope and application of Act; time limit.** Nothing in this Act shall be construed to affect the legality of loans or investments heretofore made or transactions heretofore had, pursuant to the provisions of law in force when such investments were made or transactions had. Every bank now existing and doing business within this Territory and subject to this Act, shall, on or before July 1, 1938, conform to the requirements of this Act, and shall by said time make its business conform in all respects to the requirements of this Act; provided, that an extension of time beyond July 1, 1938, may be granted by the treasurer of the Territory upon good cause being shown therefor, not in any case to exceed twelve additional months.

Section 3. This Act shall take effect upon its approval.

(Approved April 23, 1937.) S.B. 252, Act 64.

LIMITATIONS ON LOANS AND INVESTMENTS.

[D-125] An Act to Amend Section 6554 of the Revised Laws of Hawaii 1935, Relating to Limitations on Loans and Investments of Banks.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6554** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6554. Limitation on loans and investments; exemptions. No bank shall loan a sum or permit any individual, firm, company or corporation to become at any time indebted or liable, either directly or indirectly, to it for money borrowed including therein an extension of credit by the discount or purchase of the notes, bills of exchange or other obligations of such individual, firm, company or corporation, in an amount exceeding twenty per centum of its aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus; provided, however, that the discount of bills of exchange drawn in good faith against actually existing values, including drafts and bills of exchange secured by shipping documents, conveying or securing title to goods shipped, and including demand obligations, when secured by documents covering commodities in actual process of shipment, and also including bankers' acceptances of kinds described in section 13 of the Federal Reserve Act, shall not be computed in such restrictions; and provided, further, that any bank may loan to any individual, firm, company or corporation any amount providing such loans are secured by the interest-bearing obligations of the United States or those for which the faith and credit of the United States are distinctly pledged to provide for the payment of the principal and interest thereof or of the Territory or any county or city and county or municipal or political subdivision of this Territory, issued in compliance with the Organic Act and laws of this Territory, where the market value of such security shall be at any time not less than one hundred five per centum of the face amount of such loans. In computing the total liabilities, direct or indirect, of any person to a bank, there shall be included all liabilities to the bank of any copartnership or unincorporated association of which he is a member, and any loans made for his benefit or for the benefit of such copartnership or unincorporated association. In computing the total liabilities of any firm, copartnership or unincorporated association to the bank, there shall be included all liabilities of its individual members and all loans made for the benefit of such copartnership or unincorporated association or

any members thereof; and in computing the total liabilities of any corporation to a bank there shall be included all loans made for the benefit of the corporation.

No amount in excess of twenty per centum of the aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus of any bank shall be invested by it in bonds, debentures and other similar evidences of indebtedness issued by or obligating or pledging the faith, credit or property of any one or the same person, firm, company, corporation, government, country or political subdivision or municipality of such government or country; provided, that the aggregate of all investments of any bank in any and all bonds, debentures and other similar evidences of indebtedness issued by or obligating or pledging the faith, credit or property of persons, firms, companies, corporations or other entities located, resident or having his or its principal office or place of business outside of the jurisdiction of the United States, and any and all bonds, debentures and other similar evidences of indebtedness issued by or obligating or pledging the faith, credit or property of foreign countries and political subdivisions, instrumentalities and municipalities of foreign countries shall at no time exceed twenty per centum of its aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus; and provided, further, that these restrictions shall not apply to investments in the interest-bearing obligations of the United States or those for which the faith of the United States is distinctly pledged to provide for the payment of the principal and interest thereof or of the Territory or any county or city and county or political subdivision thereof issued in compliance with the Organic Act and laws of the Territory."

Section 2. Scope and application of Act; time limit. Nothing in this Act shall be construed to affect the legality of loans or investments heretofore made or transactions heretofore had, pursuant to the provisions of law in force when such investments were made or transactions had. Every bank now existing and doing business within this Territory and subject to this Act shall, on or before July 1, 1938, conform to the requirements of this Act and shall, by said time, make its business conform in all respects to the requirements of this Act; provided, that an extension of time beyond July 1, 1938, may be granted by the treasurer of the Territory upon good cause being shown therefor, not in any case to exceed twelve additional months. [L. 1931, c. 177, s. 54; R. L. 1935, s. 6554; am. L. 1937, c. 63, ss. 1, 2.]

Section 3. This Act shall take effect upon its approval.

(Approved April 23, 1937.) **S.B. 204, Act 63.**

SAVINGS BANKS AND SAVINGS DEPARTMENTS.

[D-126] An Act to Amend Chapter 218 of the Revised Laws of Hawaii 1935, Relating to Banks and Banking.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 218 of the Revised Laws of Hawaii 1935 is hereby amended by adding a new section thereto to be numbered 6575-A to read as follows:

“Sec. 6575-A. Pass books; periodical verification thereof with bank records. Every savings bank and every bank having a savings department shall at least once every two years from and after July 1, 1937, publish or cause to be published in one or more newspapers of general circulation in the Territory of Hawaii a notice requesting depositors to present their pass books, issued pursuant to section 6575, to the issuing bank within thirty days from the date of publication of such notice for verification thereof with the records of such issuing bank.”

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) S.B. 335, Act 97.

[D-127] An Act to Amend Section 6579 of the Revised Laws of Hawaii 1935, Relating to the Investments of Moneys Deposited in Any Savings Bank or in the Savings Department of Any Bank.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Paragraph 2 of **section 6579** of the Revised Laws of Hawaii 1935 is hereby amended by changing the “period” at the end thereof to a “semi-colon” and by adding at the end thereof the following clause:

“provided, further, however, that no amount in excess of twenty per centum of the aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus of the bank shall be invested in any one issue of the bonds, warrants or other obligations of any one state, or of any one county, school district or incorporated city or town of any state.”

Section 2. Paragraph 6 of **section 6579** of said Revised Laws is hereby amended to read as follows:

"6. In the notes of any individual, firm, company, copartnership, association or corporation, with a pledge as collateral of securities or personal property, the cash market value of which in each case shall be at least thirty-three and one-third per centum more than the amount of the loan; provided, however, that the total obligation of any one such individual, firm, company, copartnership, association or corporation shall not exceed twenty per centum of the aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus of the bank; and, provided, further, that any bank may loan to any individual, firm, company, copartnership, association or corporation any amount providing such loans are secured by the interest-bearing obligations of the United States or bonds for which the faith and credit of the United States are distinctly pledged to provide for the payment of the principal and interest thereof, or of the Territory or any county or city and county or municipal or political subdivision of this Territory issued in compliance with the Organic Act and laws of this Territory where the market value of such security shall be at any time not less than one hundred ten per centum of the face amount of such loans."

Section 3. Paragraph 9 of **section 6579** of said Revised Laws is hereby amended by changing the "period" at the end thereof to a "semi-colon" and by adding at the end thereof the following clause:

"and provided, however, that the total amount invested under this paragraph shall not exceed twenty per centum of the aggregate paid-up and unimpaired capital and surplus or allocated aggregate paid-up capital and surplus of the bank."

Section 4. **Scope and application of Act; time limit.** Nothing in this Act shall be construed to affect the legality of loans or investments heretofore made or transactions heretofore had, pursuant to the provisions of law in force when such investments were made or transactions had. Every bank now existing and doing business within this Territory and subject to this Act shall, on or before July 1, 1938, conform to the requirements of this Act, and shall by said time make its business conform in all respects to the requirements of this Act; provided, that an extension of time beyond July 1, 1938, may be granted by the treasurer of the Territory upon good cause being shown therefor, not in any case to exceed twelve additional months.

Section 5. This Act shall take effect upon its approval.

(Approved April 23, 1937.) **S.B. 202, Act 61.**

CHAPTER 221. CORPORATIONS.

CREATION BY CHARTER.

[D-128] An Act to Amend Sections 6718 and 6722 of the Revised Laws of Hawaii, 1935, Relating to Corporations.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 6718 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6718. Charter; grant of. The treasurer, by and with the consent of the governor, shall grant to all applicants who shall file petitions in conformity with the provisions of section 6722, charters of incorporation, either aggregate or sole, for the establishment and conduct of cemeteries, colleges, seminaries, churches, libraries, or any other benevolent, charitable or scientific associations. Any charter granted or corporation created under authority of this section shall be subject to all general laws enacted in regard to corporations, and shall file with the treasurer within thirty days after adoption a certified copy of its by-laws, and any amendments or changes therein, and shall also file from time to time, whenever changes occur, the names and addresses of the officers of the corporation." [C. C. 1859, s. 1442; am. L. 1884, c. 16, s. 1; am. imp. L. 1884, c. 23; am. imp. L. 1890, c. 43, s. 1; (as am. L. 1896, c. 39); am. L. 1909, c. 20, s. 1; R. L. 1935, s. 6718; am. L. 1935, c. 159, s. 1.]

Section 2. Section 6722 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6722. Application for charter; petition; contents. Application to the treasurer for any charter of incorporation shall be made by a verified written petition. The petition shall set forth:

The name of the corporation;

The location of the proposed corporation;

The objects and purposes of the corporation in a concise and intelligible manner;

The proposed duration of the corporation;

The time within which the corporation is to complete its organization;

The number and names of the officers and directors, or similar officers;

The proposed manner of admission and expulsion of members;

The manner in which by-laws are to be made and amended;

That the corporation is not organized for profit and that it will not issue any stock, and no part of its assets, income, or earnings

shall be used for dividends, or otherwise withdrawn or distributed to any of its members, except upon liquidation of its property in case of corporate dissolution; and

if any petition for a charter of incorporation presented to the treasurer shall not be in conformity with the requirements of this section the treasurer shall, within fifteen days, return the same to the petitioners specifying wherein the same fails to conform with this section and the petitioners may amend the petition and present the same so amended. A proposed form of the charter of incorporation shall accompany the petition. The treasurer may require additional proofs from the petitioners and upon receipt thereof he shall present the petition, proposed charter, and accompanying proofs to the governor." [C. C. 1859, s. 1445; am. L. 1884, c. 16, s. 2; R. L. 1935, s. 6722; am. L. 1937, c. 159, s. 2.]

Section 3. This Act shall take effect upon its approval, but shall not affect applications for charters already on file.

(Approved May 6, 1937.) **S.B. 357, Act 159.**

SHARES.

[D-129] An Act to Amend Chapter 221 of the Revised Laws of Hawaii 1935, by Adding Thereto a New Section to Be known as Section 6726-A, Relating to the Execution of Stock Certificates.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 221 of the Revised Laws of Hawaii 1935 is hereby amended by adding, after section 6726 thereof, a new section to be numbered section 6726-A, to read as follows:

"Sec. 6726-A. Certificate. Execution. Every certificate of stock hereafter issued by any corporation shall be executed by being sealed with the corporate seal and by being signed on behalf of the corporation by the president or a vice-president and by the secretary or the treasurer or an assistant secretary or an assistant treasurer of the corporation; provided, however, that any such certificate which shall be signed by a transfer agent and by a registrar may be sealed with only the facsimile seal of the corporation and signed on behalf of the corporation with only the facsimile signatures of its officers and subordinate officers as above designated. In case any such officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such cer-

tificate is issued, it may be issued by the corporation with the same effect as if such officer had not ceased to be such at the date of its issue."

Section 2. This Act shall take effect upon its approval.

(Approved April 2, 1937.) **S.B. 76, Act 9.**

[D-130] An Act to Amend Chapter 221 of the Revised Laws of Hawaii 1935, as Amended, by Adding Thereto a New Section to be Known as Section 6728-A, Relating to the Issuance of Shares of Stock Without Par Value.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 221 of the Revised Laws of Hawaii 1935, as amended, is hereby further amended by adding, after section 6728 thereof, a new section to be numbered 6728-A, to read as follows:

"Sec. 6728-A. Shares without par value.

(1) Any corporation heretofore or hereafter organized under the laws of the Territory of Hawaii, except as provided in paragraph (11) of this section, shall have the power to issue shares of stock with par value and/or shares of stock without par value, of any class or classes, to the extent that the articles of association so permit; provided, however, that no corporation may have shares of a class with par value and also shares of the same class without par value. In case of the issue of two or more classes of stock, if any or all thereof shall be without par value, then the preferences, voting powers, restrictions and qualifications thereof shall be set forth in the articles of association or shall be determined as provided in section 6728. Where the articles of association permit the issuance of shares without par value, the statement in said articles of association of the amount of the capital stock of the corporation and of the limit of the extension thereof shall state the number of shares of stock without par value and the limit of the extension of such number of shares, and may contain provisions relating to the consideration or considerations for which shares without par value may be issued.

(2) Any such corporation may, by amendment to its articles of association, change the shares of any class with par value, whether totally issued or partly unissued, into the same or a different number of shares without par value, and likewise may change the shares of any class without par value, whether totally issued or partly unissued, into the same or a different number of shares with

par value; provided that in connection with any such change the capital of the corporation shall not be reduced without complying with the provisions of section 6737.

(3) Subject to any restrictions in the articles of association, authorized but unissued shares without par value (whether originally authorized as such or whether changed from unissued shares with par value) may be issued from time to time for such consideration or considerations as may have been approved at a meeting duly called and held for the purpose by the holders of a majority of the then issued and outstanding shares of each class of the corporation, or as may have been approved by the board of directors either when acting under authority granted at any such meeting by the holders of a majority of the then issued and outstanding shares of each class or when acting under authority granted in the articles of association; provided, however, that shares without par value issued upon the incorporation of a corporation may be issued for such consideration as may be approved by the incorporators prior to the filing of the articles of association; provided, further, that the total consideration received for all the shares without par value issued upon the incorporation of a corporation shall include not less than one thousand dollars in cash.

(4) Whenever shares of stock without par value shall be issued by any corporation, the consideration received and to be received by the corporation for the issuance thereof shall constitute capital of said corporation; provided, however, that if the articles of association, or the stockholders at a meeting and by the vote specified in paragraph (3) of this section, or the board of directors either when acting pursuant to authority granted by the stockholders at such meeting and by such vote or when acting pursuant to authority granted in the articles of association, shall provide or determine that a portion of such consideration shall be treated as paid-in surplus, then such portion so provided or determined shall be paid-in surplus and the remainder only shall constitute capital as aforesaid. The total capital attributable to all the shares without par value issued upon the incorporation of a corporation shall be not less than one thousand dollars. Whenever shares of stock without par value shall be issued for consideration other than cash, the authority (stockholders or board of directors or incorporators) which provides for the issuance of such shares shall determine the value of such consideration, and such value so determined shall constitute capital with respect to said shares except to the extent that any portion thereof may be determined to be paid-in surplus as above provided. In case the value of such consideration shall not have been honestly and reasonably determined and in case the actual value thereof was less than the determined value, then the shares issued for such consideration shall not be fully paid until the corporation

shall receive, in addition to such consideration, the difference between the actual value thereof and the determined value thereof. Whenever issued shares with par value shall be changed into shares without par value pursuant to paragraph (2) of this section, the total par value of the shares so changed shall continue to constitute capital of the corporation, attributable to the shares without par value into which they shall be changed. In case a corporation shall pay a stock dividend, in shares of its stock without par value, the board of directors shall, in connection with the declaration of such stock dividend, determine the amount and type of the surplus of the corporation which shall be capitalized by the issuance of such stock dividend, subject however to any restrictions in the articles of association. The capital of a corporation attributable to shares of its stock without par value, determined as aforesaid, may be reduced in the manner and with the effect provided in section 6737. Whenever a corporation shall issue shares without par value it shall within thirty days after the issuance thereof file a statement in the office of the treasurer of the Territory showing the consideration received upon the issuance thereof in such detail as shall be required by the treasurer, and showing the portion, if any, of such consideration which shall constitute paid-in surplus. Any corporation with shares without par value outstanding shall within sixty days after the close of each fiscal year file in the office of the treasurer of the Territory, in addition to the annual exhibit required by section 6752, a balance sheet which shall disclose, in such detail as shall be required by the treasurer, the assets and the liabilities of said corporation and the amount of the capital and the amount of the paid-in surplus of said corporation as of the close of said fiscal year. Each statement and balance sheet filed pursuant to the foregoing provisions shall be sworn to by an officer of the corporation. Such statements and balance sheets in the office of the treasurer shall be available for examination by the public.

(5) All fully paid shares of stock without par value of the same class shall be entitled to the same dividends and to the same assets upon dissolution and shall have the same preferences, voting powers, restrictions and qualifications, notwithstanding that some of said shares may have been issued for different considerations than others.

(6) When the total amount of the consideration for which a share of stock without par value is issued shall have been received by the corporation, or shall be in the possession of the corporation when said share is issued as a stock dividend or upon a change of shares, such share shall be fully paid and non-assessable, except as provided in paragraph (4). Until any share of stock without par value shall be fully paid, the corporation and the creditors thereof shall have the same full rights to enforce the payment thereof and

other remedies in connection therewith as in the case of par value shares.

(7) The term 'par value', as used in other sections of this chapter, shall mean, with respect to shares without par value, the capital attributable to such shares determined as provided in paragraph (4) of this section. The terms 'capital stock' and 'capital', as used in this chapter, shall mean, with reference to shares without par value, the capital attributable to said shares determined as provided in paragraph (4) of this section; provided, however, that where the context requires, the term 'capital stock' as used in this chapter shall mean, with respect to shares without par value, the number of shares without par value.

(8) Every certificate representing shares without par value shall state that the shares represented thereby are without par value, and the provisions of section 6726 shall not apply to any such certificate. In case of an increase in the capital of a corporation with or by the issuance of shares without par value, the certificate of increase provided for in section 6735 need not show the matters required by item No. 4 in said section. Section 6736 shall not apply where shares with par value are changed into shares without par value or where shares without par value are changed into shares with par value. All other provisions of this chapter shall apply to corporations with shares without par value to the same extent that they apply to corporations with only par value shares.

(9) In computing any fee payable to the treasurer of the Territory of Hawaii measured by the amount of authorized or issued capital stock of the corporation, shares without par value shall be taken as the equivalent of shares having a par value of \$20.00 per share.

(10) References in this section to 'this chapter' are to chapter 221 of the Revised Laws of Hawaii 1935, as amended. References in this section to other sections are to designated sections of the Revised Laws of Hawaii 1935, as amended. The term 'articles of association', as used in this section, shall include charters as well as articles of association and shall include amendments.

(11) The provisions of this section shall not apply to non-stock corporations, or to fiduciary companies as defined in section 6758, or to building and loan associations as defined in section 6650, or to cooperative associations subject to the provisions of chapter 220, or to public utility companies within the meaning of chapter 261, or to corporations engaged in the business of issuing insurance policies for their own account under the provisions of chapter 224."

Section 2. This Act shall take effect upon its approval.

(Approved May 18, 1937.) **S.B. 232, Act 245.**

REDUCTION OF CAPITAL.

[D-131] An Act to Amend Section 6737 of the Revised Laws of Hawaii 1935, Relating to the Reduction of the Capital or Capital Stock of Corporations.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The first sub-paragraph of paragraph 1 of **section 6737** of the Revised Laws of Hawaii 1935 is hereby amended by striking out the "period" after the words "of the remaining capital stock" at the end of said sub-paragraph and by adding after said words the following:
"and shall equal in value twice the amount of the indebtedness of the corporation."

Section 2. Paragraph 2 of **section 6737** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"2. Approval, etc., by treasurer; further notice; time for protest; record, etc. A sworn certificate shall be signed by the presiding officer and secretary of the meeting, or by the president and secretary of the corporation, and presented to the treasurer of the Territory setting forth therein the action taken, and certifying either that no distribution of assets is intended or that a distribution in part or in whole of assets in excess of the total par value of the remaining capital stock is intended and if such a distribution is intended that at the time such vote was taken the corporation was not and has not since become indebted in any manner over and above half of the value of the assets which are to be retained. The treasurer shall record on said certificate the date of its receipt in his office and shall publish a notice of the same in any suitable newspaper at least once a week for four successive weeks, the first publication to be not more than ten days after the receipt of the certificate.

Upon the expiration of thirty days after the first publication of the notice, if no protest or objection to the proposed reduction of capital stock shall have been filed with the treasurer by any person claiming to be a stockholder or creditor of the corporation, the treasurer shall enter the decrease of capital stock of record, upon payment of the fee required by law, and the same shall thereupon stand effected as of the date of the original filing of the certificate. Otherwise the treasurer shall proceed to consider any objection made, and if he shall thereupon be satisfied that the vote certified has been truly taken, and, in case any distribution of assets in excess of the total par value of the remaining capital stock is intended, that the corporation was not indebted beyond the limit aforesaid either at the time such vote was taken or at the time of

filing said certificate, he shall enter the reduction of capital stock of record in manner aforesaid.

In case any distribution of assets in excess of the total par value of the remaining capital stock is intended, if no objection thereto has been made by any stockholder or creditor, the treasurer shall approve the distribution; but if any objection is made thereto he shall also satisfy himself that the distribution is for the best interests of the corporation.

The corporation may at any time and from time to time after the entry of record of said reduction of capital stock, and whether or not any distribution was originally intended, distribute among its stockholders any or all of the assets representing the surplus created by said reduction; provided, however, that no such distribution shall be made at any time unless the remaining assets of the corporation shall then equal in value the total par value of the remaining capital stock of the corporation and unless the remaining assets of the corporation shall then equal in value twice the amount of the indebtedness of the corporation."

Section 3. This Act shall take effect upon its approval.

(Approved May 4, 1937.) S.B. 307, Act 133.

POWERS.

[D-132] An Act to Amend Chapter 221 of the Revised Laws of Hawaii 1935, by Adding a New Section Thereto to Be Known as Section 6744-A, Relating to the Voluntary Transfer of Corporate Assets.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 221 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be known as section 6744-A to read as follows:

"Sec. 6744-A. Voluntary transfer of corporate assets. A voluntary sale, lease or exchange of all or substantially all of the property and assets of any domestic corporation, including its good will, may be authorized by it upon such terms and conditions and for such consideration (which may be in whole or in part shares of stock in or other securities of, any other corporation or corporations, domestic or foreign) as its board of directors shall deem expedient, and for the best interests of the corporation, when and as authorized or approved by the affirmative vote or consent of the holders of not less than three-fourths

of all stock issued and outstanding and having voting power, or if it be a non-stock corporation, the affirmative vote or consent of three-fourths of its members. Such authorization or approval of the stockholders may be given before or after the adoption of the resolution by the board of directors. The articles of association or charter may require the authorization or approval of a larger proportion of the stockholders or members or the separate authorization and approval of three-fourths or a larger proportion of any class or classes of stockholders, and in any such case the authorization or approval of the larger number of stockholders or members shall be required as provided in such articles of association or charter. If the corporation is a fiduciary company within the meaning of section 6758, or subject to the examination or investigation of the bank examiner under the provisions of section 2222, such action shall require the prior approval of the bank examiner, to be evidenced by his certificate of approval filed with the corporation. If the corporation is a public utility company within the meaning of chapter 261, such action shall require the prior approval of the public utilities commission, to be evidenced by a certificate of approval filed with the corporation.

Notice of the meeting of stockholders or members called for the purpose of giving such authorization or approval shall be mailed to all of the stockholders or members of record of the corporation on the date of such call, whether or not they shall be entitled to vote thereat. No action or suit to set aside a sale, lease or exchange by a corporation on the ground that the provisions of this section have not been complied with, or upon any other ground, shall be brought more than ninety days after the recording of the instrument effecting such sale, lease or exchange in the bureau of conveyances. Nothing in this section contained shall be deemed to require the approval of the stockholders except as may be required by the articles of association or by-laws to enable a corporation to make a mortgage, pledge, assignment or transfer of all or any part of its assets as security for any obligation or liability of any kind or nature or to make a transfer to satisfy or partially satisfy any obligation or liability; nor shall it be construed as modifying or amending any of the provisions of chapter 239 relating to sale of merchandise in bulk."

Section 2. This Act is to take effect upon its approval.

(Approved April 6, 1937.) **S.B. 185, Act 15.**

DUTIES AND LIABILITIES.

[D-133] An Act to Amend Section 6747 of the Revised Laws of Hawaii 1935, Relating to duties and liabilities of Directors or Managers and Relating to Dividends.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 6747 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6747. Of directors or managers; dividends. The directors or managers of any corporation may authorize the payment of dividends in cash or in property owned by the corporation only from the profits and earned surplus of the corporation and only when the corporation does not have and the payment of such dividend would not create a capital deficit; provided that the foregoing shall not be interpreted to prohibit any distribution of assets permitted by section 6737, upon the reduction of the capital stock of a corporation, or to prohibit a distribution and division of the balance of the assets of the corporation in accordance with law, upon the dissolution of a corporation or the expiration of its charter. The directors or managers of any corporation may authorize the payment of dividends in shares of the authorized capital stock of the corporation only from the earned surplus or paid-in or contributed surplus or other surplus of the corporation, and the shares issued by such stock dividend shall be fully paid and non-assessable to the extent of the amount of surplus capitalized by the issuance thereof; provided that no such stock dividend shall be paid by a fiduciary company without the approval of the treasurer. In case of any dividend payment or other distribution of assets in violation of the provisions of this section, the directors or managers, under whose administration the same may have taken place and who shall have authorized the same, shall in their individual and private capacities be jointly and severally liable to the corporation and the creditors thereof, in the event of its bankruptcy or insolvency, or in the event of its dissolution, for the loss suffered by reason of such payment or other distribution in an amount not exceeding the amount so paid or distributed." [C. C. 1859, s. 1434; R. L. 1935, s. 6747; am. L. 1937, c. 8, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 9, 1937.) S.B. 78, Act 18.

DISSOLUTION.

[D-134] An Act to Amend Section 6755 of the Revised Laws of Hawaii 1935 and Section 6756 of said Revised Laws, as Amended by Act 158 of the Session Laws of Hawaii 1935, Relating to the Dissolution of Corporations.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6755** of the Revised Laws of Hawaii 1935 is hereby amended by inserting after the first sentence thereof a new sentence to read as follows:

“The expense of publishing said notice shall be a first charge upon and shall be paid out of any funds coming into the hands of any trustee appointed to settle its affairs, provided, that if the treasurer in said notice declares his intention to dissolve more than one such corporation, such expense shall be paid out of the said funds of all of such corporations in the proportion that the said funds coming into the hands of any trustee for each of such corporations bears to the funds of all of the corporations included in the said notice.”

Section 2. **Section 6756** of the Revised Laws of Hawaii 1935, as amended by Act 158 of the Session Laws of Hawaii 1935, is hereby further amended by amending the last paragraph thereof to read as follows:

“Trustees for corporations dissolved in accordance with section 6755 shall render and file in the office of the treasurer an itemized account, on oath, showing all receipts and disbursements. Such account shall not require the approval of the treasurer but shall be a public document open to the inspection of all interested parties. Such trustees shall be entitled to a commission of not to exceed five per centum on all collections made by them, provided that if such collections are less than three hundred dollars the treasurer may allow and pay to such trustee, out of any available appropriation for the current expenses of the treasurer’s office, a fee of not more than twenty dollars (\$20.00).”

Section 3. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 306, Act 93.**

FIDUCIARY COMPANIES: GENERAL PROVISIONS.

[D-135] An Act to Amend Section 6758 of the Revised Laws of Hawaii 1935, Relating to Fiduciary Companies.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 6758 of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

“Sec. 6758. Fiduciary company defined. The term ‘fiduciary company’, as used in this subtitle, shall be construed to mean and include every bank, other than a national bank; every trust company; every building and loan association; every industrial loan and investment company which issues or which may hereafter issue or have outstanding any certificate or certificates of indebtedness or investment; every company organized for the purpose of accumulating and loaning the funds of its members or depositors, or which may loan or invest such funds or receive deposits of money or loan or invest or collect such funds or deposits with interest, or which may repay such depositors with or without interest, or which has the power to invest such funds or deposits in property, securities or other obligations, or which has the power to pay interest or any profit on its general deposits or on its deposits made for a stated period or upon special terms.

The term ‘fiduciary company’, as used in this section, shall include any corporation, association, firm or copartnership that may be carrying on a fiduciary business as above defined but shall exclude any credit union which lawfully engages only in the business of a credit union.” [L. 1905, c. 68, s. 1; am. L. 1925, c. 268, s. 1; R. L. 1935, s. 6758; am. L. 1937, c. 233, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved May 17, 1937.) S.B. 401, Act 233.

**CHAPTER 221A. MERGER AND
CONSOLIDATION OF CORPORATIONS.**

[D-136] An Act to Amend Title XXIV of the Revised Laws of Hawaii 1935, by Adding a New Chapter Thereto to be Known as Chapter 221-A, Providing for the Merger and Consolidation of Corporations, Domestic and Foreign.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Title XXIV** of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new chapter to be known as chapter 221-A to read as follows:

“CHAPTER 221-A. MERGER AND CONSOLIDATION OF
CORPORATIONS.

“**Sec. 6764-A. Merger and consolidation of corporations.** Any two or more domestic corporations may be, (a) merged into one of such domestic corporations, which is designated in this chapter as ‘the surviving corporation’, or (b) consolidated into a new corporation to be formed under the provisions of this chapter, which is designated in this chapter as ‘the consolidated corporation’ by complying with the following provisions:

(1) Agreement.—Approval of board of directors. The board of directors of each constituent corporation shall prepare for consideration by the stockholders, a proposed merger or consolidation agreement which shall set forth that the constituent corporations are to become a single new corporation, or that one or more of the constituent corporations are to be merged into a specified constituent corporation; the terms and conditions of the merger or consolidation and the mode of carrying the same into effect; the names and addresses of the first directors and officers of the surviving or consolidated corporation and their respective terms of office; the amount of the capital stock of the surviving or consolidated corporation, and if the privilege of subsequent extension of the capital stock is asked for, the limit of such extension; the preferences, voting powers, restrictions and qualifications of all classes of stock of the surviving or consolidated corporation, if there is to be more than one class of stock; and the manner and basis of converting the shares of each of the constituent corporations into shares of the surviving or consolidated corporation. The agreement may also provide for the distribution of cash or any other property, or assets of any constituent corporation, in whole or in part, in lieu of or partially in lieu of shares of the surviving or consolidated corporation to stockholders of the constituent corporations or any class of them; but nothing in this chapter contained shall be deemed to authorize or permit the distribution of cash, or other property, or assets to the stockholders of any constituent corporation (except in payment of dissenting stockholders for their shares under the provisions of section 6764-D), unless after giving effect to any such distribution of cash, or other property, or assets, the liabilities of the surviving or consolidated corporation, including those derived by it from the constituent corporations, plus the amount of the capital stock of the surviving or consolidated corporation do not exceed the value of the remaining assets and property of the surviving or consolidated corporation, and unless the liabilities of the surviving or consolidated corporation, including those derived by it from the constituent corporations, shall be less in

amount than one-half the value of the remaining assets and property of the surviving or consolidated corporation.

The agreement may also provide the time or conditions, upon the happening of which the agreement shall be executed and filed as herein provided. The agreement may also provide that the name of the consolidated corporation shall be the same as the name of a constituent corporation.

If the agreement be for a consolidation, it shall state therein or incorporate as part thereof, by reference and exhibit number, complete articles of association as is required by chapter 221 in the case of the formation of new corporations (except that the name of the incorporators and the affidavit referred to in section 6714 shall not be required). These articles of association shall be deemed to be the articles of association of the consolidated corporation upon the filing of the consolidation agreement in the office of the treasurer as hereinafter provided. The articles of association of the consolidated corporation may contain all the powers and privileges that could be lawfully conferred or obtained in original articles of association.

If the agreement be for a merger, it shall state any matters with respect to which the articles of the surviving corporation are proposed to be amended, and shall set forth or incorporate as part thereof, by reference and exhibit number, the proposed articles of association as amended, and such articles shall be deemed to be the amended articles of association of the surviving corporation upon the filing of the merger agreement in the office of the treasurer as hereinafter provided. The amended articles of association of the surviving corporation may provide for the extension of the term of its corporate existence, but not to exceed fifty years from the date of filing of the agreement, and may contain all the powers and privileges that could be lawfully conferred or obtained in original articles of association.

Prior to its execution, the proposed merger or consolidation agreement shall be approved by the board of directors of each constituent corporation, which approval may be given either before or after the approval or authorization of the stockholders as herein provided.

(2) Authorization of stockholders. Either before or after the approval of the proposed agreement by the board of directors, meetings of the stockholders of each constituent corporation shall be called, and at each such meeting the proposed merger or consolidation agreement shall be considered. A written notice setting forth the time, place and purpose of meeting, and either a copy of the proposed agreement or a statement of the general terms thereof, and stating the date on which the notice is mailed, shall be mailed, postage prepaid, at least thirty days prior to the

date of such meeting, to every stockholder at his last known address appearing on the books of the corporation. Before any merger or consolidation agreement shall become effective, such agreement shall be approved or authorized by the vote of the holders of not less than three-fourths of the issued and outstanding shares of each class of each of the constituent corporations, even though their right to vote be otherwise restricted or denied by the charter, articles, by-laws or resolution of the constituent corporation.

The approval of the stockholders of each constituent corporation may be given at the meeting, or any adjournment thereof which may be held, either before or after the approval of the agreement by the board of directors, and the stockholders may by resolutions approved by the vote required in the preceding paragraph adopt modifications of or amendments to the proposed agreement, and may authorize the board of directors of the corporation to make modifications or amendments of the proposed agreement as such board of directors shall deem proper to the extent provided for in such resolutions without further stockholders' approval. Upon the approval or authorization of the merger or consolidation, unless the approval or authorization is given by the holders of all shares owned and outstanding, the officers shall mail to each stockholder, notice that the merger or consolidation agreement has been approved or authorized.

The stockholders of each constituent corporation may at such stockholders' meetings adopt proposed by-laws for the consolidated corporation, which shall be deemed to be the by-laws of the consolidated corporation upon the filing of the consolidation agreement in the office of the treasurer as hereinafter provided, or such by-laws may be adopted at a stockholders' meeting of the consolidated corporation after the filing of said agreement.

(3) Execution of agreement by officers. After approval by the directors, and approval or authorization by the stockholders, the agreement shall be executed by the president or a vice-president and the secretary or assistant secretary of each constituent corporation, and acknowledged by the officers executing the same on behalf of their respective corporations.

(4) Certificates of approval. Either before or after the agreement shall have been executed in accordance with the provisions hereof, there shall be executed and signed by the presiding officer and secretary of each of the stockholders' meetings (or in case of inability or incapacity of any officer to make such certificate, then by any other officer present at the meeting), a certificate which shall be verified by their oath and shall set forth:

(a) The time and place of the meeting of the board of directors, and a copy of the resolution adopted thereat;

- (b) The vote in favor of the resolution;
- (c) The time and place of the meeting of the stockholders, and the total vote of each class of shares by which the agreement was approved or authorized, and a copy of the stockholders' resolution approving or authorizing the agreement;
- (d) The total number of issued and outstanding shares of each class;
- (e) The facts as to the mailing of the notice of the time, place and purpose of the meeting of the stockholders;
- (f) If the agreement provides conditions upon the happening of which the agreement is to be executed or filed, a statement that such conditions have happened.

(5) Amendments to agreement. Prior to the filing of the agreement any amendment to the agreement may be made if such amendment be approved by the vote required in paragraph (2) hereof at stockholders' meetings of each constituent corporation and by the board of directors of each of the constituent corporations. The agreement so amended shall be signed and acknowledged and shall have certified therewith the approval of the directors and of the stockholders in the same manner as provided for the original agreement, and shall then be considered the merger or consolidation agreement. Where authority has been given to the board of directors of any corporation to make modifications or amendments of the agreement in accordance with the provisions of paragraph (2), no further stockholders' approval shall be required and upon the amendment of any agreement the certificate for such corporation shall certify that such authority has been given by the stockholders to the board of directors of the corporation.

(6) Filing. The agreement so approved, executed and acknowledged, and the certificates of its approval by each constituent corporation in accordance with the provisions hereof shall, subject to the provisions of subsections (a) and (b) of this paragraph (6), be filed in the office of the treasurer, and the merger or consolidation shall thereupon become effective under the provisions of this chapter. A copy of the agreement, certified by the treasurer, shall have the same force in evidence as the original and, except as against the Territory, shall be conclusive evidence of the performance of all conditions precedent to such merger or consolidation, and the creation or existence of the surviving or consolidated corporation.

(a) Fiduciary companies. If any of the constituent corporations proposing to enter into a merger or consolidation agree-ment under the provisions of this chapter are fiduciary companies within the meaning of section 6758, or subject to the examination or investigation of the bank examiner under the provisions of

section 2222, then prior to execution a copy of any proposed merger or consolidation agreement shall be filed in the office of the bank examiner for his approval, which approval shall be obtained before the agreement may be filed in the office of the treasurer or become effective. If such agreement shall be approved by the bank examiner, such approval shall be evidenced by his certificate of approval. Either before or after the approval of the bank examiner, the agreement shall be approved at each of such stockholders' meetings in the manner as herein provided. Such agreement shall then become effective on the filing of the agreement, executed and acknowledged, and all necessary certificates of its approval, in the office of the treasurer.

(b) Public utility companies. If any of the constituent corporations are public utility companies within the meaning of chapter 261, then prior to execution a copy of the proposed merger or consolidation agreement shall be filed in the office of the public utilities commission for its approval as provided by section 7957, which approval shall be obtained before the agreement may be filed in the office of the treasurer or become effective. If such agreement shall be approved by the public utilities commission, such approval shall be evidenced by its certificate of approval. Either before or after the approval of the public utilities commission, the agreement shall be approved at each of such stockholders' meetings in the manner as herein provided. Such agreement shall then become effective on the filing of agreement, executed and acknowledged, and all necessary certificates of its approval, in the office of the treasurer.

(7) Certificate of treasurer of merger or consolidation. Upon the filing of the agreement and the certificates of its approval in the office of the treasurer, in conformity with the provisions hereof, it shall be the duty of the treasurer to make and seal with the seal of his office, his certificate of merger or consolidation, as the case may be, which shall set forth in such form as shall be satisfactory to the treasurer the following matters:

1. The name of each constituent corporation;
2. The name of the surviving or consolidated corporation;
3. The day, hour and minute of the filing in his office of the merger or consolidation agreement and all necessary certificates of approval in conformity with the provisions of this chapter;
4. The names of the officers and directors of the surviving or consolidated corporation at the time of the filing of the agreement.

One certified copy of the treasurer's certificate shall be recorded in the bureau of conveyances, and if the constituent or merged corporation owns or has any interest of any nature in real property, the title to which is registered in the land court, a

certified copy of such treasurer's certificate shall be filed also in the office of the assistant registrar of the land court.

(8) Earned or paid in surplus of constituent companies. The earned surplus and paid in surplus appearing on the books of the constituent companies to the extent to which such surplus is not capitalized by the issues of shares or otherwise, may be entered as earned or paid in surplus, as the case may be, on the books of the surviving or consolidated corporation and may thereafter be dealt with as such.

(9) Property and corporate existence. Upon merger or consolidation as provided herein, the separate existence of the constituent corporations shall cease, except that of the surviving corporation in case of merger. All and singular the rights, privileges, franchises and property of each of the constituent corporations, and all debts and liabilities due or to become due to any constituent corporation, including subscriptions for shares and things in action and every interest or asset of conceivable value or benefit, shall be deemed fully and finally and without any right of reversion transferred to and vested in the surviving or consolidated corporation without further act or deed, and such surviving or consolidated corporation shall have and hold the same in its own right as fully as the same was possessed and held by the constituent corporation from which it was, by operation of the provisions of this section, transferred.

All debts, liabilities and obligations due or to become due of, and all claims or demands for any cause existing against each constituent corporation shall, upon merger or consolidation, be and become the debts, liabilities, obligations of and the claims and demands against the surviving or consolidated corporation in the same manner as if the surviving or consolidated corporation had itself incurred or otherwise become liable for them.

All rights of creditors and all liens upon the property of each of the constituent corporations shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time of the merger or consolidation.

Any action or proceedings pending by or against any of the constituent corporations shall not be deemed to have abated or been discontinued, but may be prosecuted to judgment with the right to appeal or review as in other cases as if such merger or consolidation had not taken place or the surviving or consolidated corporation may be substituted for any such constituent corporation.

(10) Abandonment of merger or consolidation. By appropriate agreement executed by the proper officers of each of the constituent corporations and approved by the board of directors and by the stockholders by the same vote required in paragraph (2)

hereof the merger or consolidation may be abandoned at any time before the merger or consolidation is completed.

At any stockholders' meeting the stockholders of any constituent corporation may, by resolution approved by the same vote required in paragraph (2) hereof, authorize its board of directors to abandon the merger or consolidation, when and if in its discretion it shall deem the same advisable, and in any such case the approval of the stockholders of such corporation provided for in the preceding paragraph shall not be required.

"Sec. 6764-B. Merger or consolidation of foreign corporations with domestic corporations. The merger or consolidation of one or more foreign corporations with one or more domestic corporations may be effected under the provisions of this chapter if such foreign corporations and each of them be authorized to effect such merger or consolidation by the laws of the jurisdiction under which they are formed, provided, however, that the laws of the Territory of Hawaii shall govern such merger or consolidation and the surviving or consolidated corporation.

Upon the merger or consolidation becoming effective in the Territory in accordance with the provisions of section 6764-A, the property and corporate existence of the constituent corporation shall in all respects be subject to the provisions of paragraph (9) of section 6764-A.

"Sec. 6764-C. Conveyance of real property upon merger or consolidation of a foreign corporation. Whenever a foreign corporation having any real property in the Territory shall merge or consolidate with another foreign corporation pursuant to the laws of any jurisdiction where laws of such jurisdiction provide substantially that the making and filing of the agreement of merger or consolidation shall operate to vest in the corporation formed by such consolidation, or the corporation into which the other or others are merged, all the real property of the constituent or merging corporation, the filing for record in the bureau of conveyances of a certified copy of such merger or the corporation into which the other or others are merged, all the real property of the constituent or merging corporation, the filing for record in the bureau of conveyances of a certified copy of such merger or consolidation agreement (together with a certificate of any duly authorized official of the jurisdiction under the laws of which the surviving or consolidated corporation is organized, that such merger or consolidation has been effected in accordance with the laws of such jurisdiction) shall operate to vest in the corporation formed by such consolidation, or the corporation into which the other or others are merged, all interest of the

constituent corporations in and to the real property located in the Territory, except that if any constituent corporation owns or has any interest of any nature in any land, the title to which is registered in the land court, a certified copy of such merger or consolidation agreement shall also be filed in the office of the assistant registrar of the land court.

“Sec. 6764-D. Compensation of dissenting stockholders.

(1) In the event that the requisite number of stockholders of any constituent corporation approve its merger or consolidation with another corporation, domestic or foreign, then any holder of voting or non-voting shares who shall not have approved such merger or consolidation at the meeting at which the same was approved, may make written demand upon the constituent corporation of which he is a stockholder for the payment to him of the fair market value of his shares. Such fair market value shall be determined as of the close of business of the day before the vote of the stockholders approving such action.

(2) Such demand must be received by the constituent corporation within thirty days after the date on which the notice of the approval by the stockholders provided for in paragraph (2) of section 6764-A was mailed to the said stockholder. Such demand shall state the number and class of the shares held of record by the stockholder in respect of which he claims relief, and shall contain a request that the corporation state what it determines to be the fair market value of such shares as of the close of business of the day before the vote of the stockholders approving the merger or consolidation.

(3) Before the expiration of the period referred to in paragraph (2) hereof, the stockholder shall submit to such constituent corporation, at its principal office or at the office of any transfer agent thereof, his certificates for shares in respect to which he claims relief hereunder, to be stamped or endorsed with a statement that such shares are dissenting shares. Upon subsequent transfers of such shares on the books of such constituent corporation the new certificates issued therefor shall bear a like statement together with the name of the original dissenting holder of such shares.

(4) The terms ‘dissenting shares’ and ‘dissenting stockholders’ as used herein refer to shares and the holders thereof of record when all of the acts and things mentioned in paragraphs (1), (2) and (3) of this section 6764-D have been done and performed as therein required with reference to such shares and the term ‘dissenting stockholders’ shall include transferees of record and successors in interest. Dissenting stockholders shall continue to have all the rights and privileges incident to their shares save

as expressly limited by this section, until the filing of the merger or consolidation agreement in the office of the treasurer. A dissenting stockholder may not withdraw his dissent or demand for payment unless the constituent corporation, by its board of directors, shall consent thereto. Upon withdrawal of dissent in accordance with the provisions hereof, the statement stamped or endorsed on all certificates shall be cancelled or new certificates issued in lieu thereof.

(5) Within ten days after receipt of a copy of such demand, or within fifteen days after the day of the vote of the stockholders approving the action, whichever shall be the later, the constituent corporation upon which demand has been made in accordance with paragraph (2) hereof, shall deliver or mail to the holder of dissenting shares at his last known address, a written offer to pay for such shares at a price or prices deemed by such corporation to represent such fair market value if such stockholder be entitled to relief. If the constituent corporation and the holder of dissenting shares agree upon the price of such shares, the dissenting stockholder shall be entitled to such price without interest, unless the agreement shall otherwise provide, upon surrender of the certificate or certificates for the shares affected.

(6) If any dissenting stockholder shall fail to agree with the constituent corporation upon a fair market value, then the dissenting stockholder, if he first shall have complied with the conditions provided in paragraphs (1), (2) and (3) of this section, or any interested corporation within six months after the date on which notice of the approval by the stockholders was mailed to the stockholder, but not thereafter, may file a petition in the circuit court at chambers, in equity, of the judicial circuit in which such corporation has its principal office, or in the first judicial circuit, praying the court to determine the fair market value of the dissenting shares or may within said time intervene in any pending action or suit for the appraisal of any dissenting shares. If such petition be not filed or intervention made within such period as to any dissenting shares the purchase price of which has not been agreed upon, then such shares shall lose their dissenting status and be deemed to be assenting shares. The judges of the several circuit courts shall have power at chambers, in equity, to hear and determine suits brought under the provisions of this section.

(7) Two or more dissenting stockholders of the same corporation may join as petitioners or be joined at any time or be made respondents in any such suit and two or more suits involving the value of the shares of one or more constituent corporations may be consolidated. Dissenting stockholders may intervene

in any pending suit brought for the appraisal of any dissenting shares.

(8) On the trial of any suit, the court shall determine whether the petitioners or intervenors are 'dissenting stockholders' within the meaning of this section and whether they are entitled to relief, and if the court shall so find, the court shall determine or shall appoint three impartial appraisers to determine the fair market value of the shares of dissenting stockholders as of the time above specified.

(9) If appraisers are appointed they forthwith shall proceed to determine said fair market value of the shares and the appraisers, or a majority of them, shall make a report within the time fixed by the court, and shall file their report in the office of the clerk of the court, whereupon, on the motion of any party, the report shall be submitted to the court and unless the report shall be agreed to by all parties, it shall be considered together with such evidence as the court may consider relevant.

(10) If appraisers be not appointed or if a majority of them fail to make and file a report within ten days, or within such further time as may be allowed by the court, or their report be not confirmed by the court, the court shall determine from the evidence adduced the fair market value of the dissenting shares.

Upon determination by the court, a decree shall be rendered against the corporation involved which shall provide substantially that upon surrender of the shares such corporation shall make payment to the dissenting stockholders of an amount equal to the fair market value of each share as of the time above specified, multiplied by the number of dissenting shares in respect of which the court shall have found any dissenting stockholder is entitled to relief, together with interest thereon at four per centum per annum from and after the date of the filing of the merger or consolidation agreement in the office of the treasurer.

(11) Any decree shall be payable only upon the endorsement and delivery to the corporation of the certificates for the shares described in the decree. Any party shall have the right of appeal from such decree in accordance with the provisions of section 3501.

(12) The costs of the suit, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court may consider equitable.

(13) Unless provided otherwise by agreement, payment of the fair market value of dissenting shares shall be made by the corporation involved within thirty days after the amount thereof has been agreed upon or within thirty days after the effective date of the merger, whichever is later, upon surrender of the certificates therefor. After any decree is entered for the payment of

any dissenting stockholders unless appeal shall have been effected by the stockholder under the provisions hereof, the corporation may pay into the court entering the decree the sum required to be paid to the dissenting stockholder, and upon such payment into court, interest shall cease. Disbursement of any sum paid into court shall be made only under order of court after the corporation shall have been notified of application for payment, and only upon surrender to the corporation of the certificates of stock. The surviving or consolidated corporation may, but shall not be required to, hold as treasury stock any of its shares attributable to shares of dissenting stockholders purchased or paid for under the provisions hereof, if the assets and property of such corporation, after payment of the dissenting stockholders exceed the capital stock issued and outstanding plus the liabilities and obligations, otherwise the constituent corporation shall dispose of such shares, or the shares into which they are converted (or a portion of such shares where sale of a portion will satisfy the requirements hereof) for such consideration as it may deem proper. The corporation shall not be required to register any such stock under chapter 238, and shall not be required to offer such stock pro rata to the stockholders of the constituent corporations or any of them.

(14) The dissenting stockholders of record shall be entitled to receive all cash dividends paid by the constituent corporation until the effective date of the merger or consolidation. All stock dividends applicable to dissenting stock declared and issued prior to the date of the merger or consolidation shall be withheld by the constituent corporation declaring and issuing the same and shall not be issued to the dissenting stockholders and the constituent corporation shall hold or dispose of such stock dividends after payment for the dissenting stock to which the dividend is applicable under the provisions of paragraph (13) of this section in the same manner as stock purchased from dissenters under the provisions hereof.

(15) The right of a dissenting stockholder to relief hereunder and his status as a dissenting stockholder hereunder shall cease if and when the constituent corporation of which he is a stockholder shall abandon the merger or consolidation entitling the dissenting stockholder to relief. Upon abandonment of the merger or consolidation any dissenting stockholder who has initiated proceedings in good faith under this section shall be entitled to recover from the corporation all necessary expenses incurred in such proceedings and reasonable attorney's fees.

(16) This section shall not apply to classes of shares whose terms and provisions specifically set forth the amount to be paid

or the method of determining the amount to be paid in respect to such shares in the event of consolidation or merger.

(17) The rights and remedies of any stockholder at law or in equity to object to or litigate as to any such merger or consolidation shall be and are hereby limited to the right to receive the fair market value of his shares in the manner and upon the terms and conditions provided in this section, except suits or actions to test the sufficiency or regularity of the votes of the stockholders authorizing or approving the proposed action of any constituent corporation. Whenever the term 'constituent corporation' as used in the provisions of paragraphs (1) to (17), inclusive, of this section, it shall mean and include the surviving or consolidated corporation after the merger or consolidation agreement is effective.

(18) If proceedings be instituted to test the sufficiency or regularity of the votes of the stockholders in authorizing the merger or consolidation, the petition for compensation of any dissenting stockholder must be filed within the period herein provided, but all proceedings in such suit shall be suspended until final determination of proceedings instituted to test the sufficiency or regularity of the votes of the stockholders.

"Sec. 6764-E. Application of chapter; fees. This chapter shall not be applicable to banks as defined in section 6501; building and loan associations as defined in section 6650; cooperative associations subject to the provisions of chapter 220; trust companies as defined by section 6900; or any corporation engaged in the business of issuing insurance policies for its own account under the provisions of chapter 224.

For filing amended articles of association of a surviving corporation, articles of association of a consolidated corporation; and upon increase or decrease of capital stock of a surviving corporation; and for filing any certificate, agreement or other document in accordance with the provisions of this chapter, the same fees shall be paid to the treasurer as are provided for in and by sections 2212 and 6753."

Section 2. This Act is to take effect upon its approval.

(Approved April 26, 1937.) **S.B. 184, Act 73.**

**CHAPTER 222. CORPORATIONS,
FOREIGN.**

[D-137] An Act to Amend Section 6770 of the Revised Laws of Hawaii 1935, Relating to Foreign Corporations.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6770** of the Revised Laws of Hawaii 1935 is hereby amended:

(a) By deleting the "semi-colon", after the clause numbered "1", and by adding to said clause the words "and also a certified copy of all amendments to the said charter or act of incorporation;"

(b) By deleting the "semi-colon", after the clause numbered "3", and by adding to said clause the words "and also a certified copy of all amendments to the said by-laws;" and

(c) By adding, at the end of said section, a new paragraph to read as follows:

"8. Every foreign corporation or company which has qualified to transact business in this Territory shall, within sixty days after any amendment or amendments to its charter or act of incorporation or by-laws, file in the office of the treasurer a certified copy of such amendment or amendments."

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 305, Act 92.**

[D-138] An Act to Amend Section 6774 of the Revised Laws of Hawaii 1935, Relating to the Annual Exhibits of Foreign Corporations.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6774** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"**Sec. 6774. Annual exhibit.** Every foreign corporation or company not eleemosynary, religious, literary or educational, carrying on business in the Territory shall on July 1st of each year or within such further time as may be in writing allowed by the treasurer, file with the treasurer a statement of all matters which are or may be required by law to be filed by Hawaiian corporations; provided, however, that no list of the stockholders of the corporation or company shall be required, except upon the joint

request of the treasurer and governor." [L. 1898, c. 45, s. 3; am. L. 1919, c. 16, s. 1; am. L. 1923, c. 24, s. 1; R. L. 1935, s. 6774; am. L. 1937, c. 91, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 304, Act 91.**

[D-139] An Act to Amend Chapter 222 of the Revised Laws of Hawaii 1935, by Adding Thereto a New Section to Be Numbered and Known as Section 6776-A, Relating to the Withdrawal of Foreign Corporations or Companies.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 222 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be numbered and known as section 6776-A, and to read as follows:

"Sec. 6776-A. Withdrawal; procedure. Any foreign corporation or company which has qualified to transact business in this Territory may withdraw and surrender its right to engage in business within this Territory by securing from the treasurer a certificate of withdrawal, in the manner hereinafter provided. Any such corporation or company shall file in the office of the treasurer: (1) a certificate executed and acknowledged by its president or vice-president, and secretary or treasurer, setting forth: (a) that it surrenders its authority to transact intraterritorial business in this Territory, (b) that it irrevocably consents that process against it in any action or suit upon any liability or obligation incurred within this Territory prior to the issuance of the said certificate of withdrawal may be served upon the treasurer of the Territory and that service of such process upon the said treasurer shall be deemed sufficient service upon it, and (c) a post office address to which the treasurer may mail a copy of any process against such corporation or company that may be so served upon him; (2) satisfactory proof showing that, within sixty days last past, it has advertised in a daily newspaper of general circulation in the said Territory, once in each of four successive weeks, (four publications), a notice in English to all creditors of the said corporation or company that it intends to apply, within sixty days from the first publication of the said notice, to the treasurer of the Territory for a certificate of withdrawal and intends to withdraw from and surrender its right to engage in business within this Territory and notifying all creditors of the corporation or company to present their claims; (3) satisfactory proof that not less than fifteen days have elapsed since the last publication of the said notice; (4) satis-

factory proof showing that all creditors of the said corporation or company, resident or located within the said Territory, have been paid, and (5) a valid certificate or certificates showing that all of the taxes, imposts, license fees and assessments theretofore levied upon, due or payable by the corporation or company to the Territory or any of its municipal subdivisions have been fully paid and discharged. Upon the filing with and the approval by the treasurer of the aforesaid certificates and proofs and after payment of a fee of three dollars (\$3.00) for such certificate, the treasurer shall issue to such corporation or company a certificate stating that it has withdrawn and surrendered its right to engage in business within this Territory. No such corporation or company may withdraw from this Territory without complying with the aforesaid conditions and until such compliance service of legal notices and processes upon the person designated by it under section 6770 shall be deemed sufficient service upon it, or if such designated person shall not continue to reside in the Territory at the designated business address, service of such notices and processes upon the treasurer shall be deemed sufficient service of such notices and processes upon it."

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) S.B. 303, Act 89.

CHAPTER 223A. INDUSTRIAL LOAN AND INVESTMENT ACT.

[D-140] An Act to Amend Title XXIV of the Revised Laws of Hawaii 1935, by Adding Thereto a New Chapter to be Numbered and Known as Chapter 223-A and Forty-two New Sections to be Numbered 6782, 6782-A, 6782-B, 6782-C, 6782-D, 6782-E, 6782-F, 6782-G, 6782-H, 6782-I, 6782-J, 6782-K, 6782-L, 6782-M, 6782-N, 6782-O, 6782-P, 6782-Q, 6782-R, 6782-S, 6782-T, 6782-U, 6782-V, 6782-W, 6782-X, 6782-Y, 6782-Z, 6782-AA, 6782-BB, 6782-CC, 6782-DD, 6782-EE, 6782-FF, 6782-GG, 6782-HH, 6782-II, 6782-JJ, 6782-KK, 6782-LL, 6782-MM, 6782-NN and 6782-OO; to Provide for the Establishment, Operation, Maintenance, Government, Powers, Duties, License Fees, Control and Regulation of Industrial Loan and Investment Companies as Therein Defined: to Provide for the Administration of the Act: to Confer Certain Powers and Impose Certain Duties in Respect to Such Companies upon the Treasurer and Deputy Bank

Examiner of the Territory of Hawaii: to Impose Certain Penalties for Violations Thereof and Repealing Chapter 233 of the Revised Laws of Hawaii 1935.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Title XXIV of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new chapter to be numbered and known as Chapter 233-A and forty-two new sections to be numbered 6782, 6782-A, 6782-B, 6782-C, 6782-D, 6782-E, 6782-F, 6782-G, 6782-H, 6782-I, 6782-J, 6782-K, 6782-L, 6782-M, 6782-N, 6782-O, 6782-P, 6782-Q, 6782-R, 6782-S, 6782-T, 6782-U, 6782-V, 6782-W, 6782-X, 6782-Y, 6782-Z, 6782-AA, 6782-BB, 6782-CC, 6782-DD, 6782-EE, 6782-FF, 6782-GG, 6782-HH, 6782-II, 6782-JJ, 6782-KK, 6782-LL, 6782-MM, 6782-NN, and 6782-OO, and to read as follows:

“Sec. 6782. Application. This chapter shall be applicable to all persons, firms, partnerships, corporations, associations and companies engaged in or attempting to engage in business as an industrial loan and investment company or which shall hereafter be organized for the purpose of or attempting to engage in the business of making industrial loans and investments as the term is used in this chapter.

“Sec. 6782-A. Definitions. As used in this chapter and unless a different meaning appears from the context: (1) the term ‘company’ shall mean and include any person, firm, partnership, corporation, association or company to which this chapter is applicable and shall include any foreign corporation doing business in the Territory; (2) the term ‘treasurer’ shall mean the treasurer of the Territory of Hawaii; (3) the term ‘bank examiner’ shall mean the deputy bank examiner of the Territory of Hawaii appointed under section 2220; (4) the term ‘industrial loan and investment company’ shall mean and include all persons, firms, partnerships, corporations, associations and companies organized or which may hereafter be organized and which are engaged in or may hereafter be engaged in the lending of money to be repaid in weekly, or monthly, or other periodical installments or principal sums as a business; provided, however, that this definition shall not be construed to include banks, trust companies, building and loan associations, other mortgage companies whose principal business consists of loans for the purchase of homes, provided that any investment certificates issued by such companies shall be secured by mortgage, and that the appraised value of the mortgaged property shall be thirty-three and one-third per centum in excess of the total of the certificates such mortgage secures, credit unions, pawn brokers, or licensees under Act [232] of the Session Laws of the Territory of

Hawaii 1937, having the short title 'Small Loan Act';* (5) 'engaging in the business of an industrial loan and investment company' or 'carrying on the business of an industrial loan and investment company' or any other term or terms of similar import shall mean and include the loaning of money to be repaid in weekly, monthly, or other periodical installments or principal sums, and the charging, receiving or requiring compensation, interest, discount, fee, or charges of whatever nature or kind for the use of such money, and, also, the purchase or discount of installment paper from another; provided, however, that direct financing to customers by mercantile firms or persons engaged in the mercantile business or the loaning by an individual of his own funds shall not be deemed engaging in the business of an industrial loan and investment company.

"Sec. 6782-B. Corporations. Any domestic corporation, heretofore or hereafter organized, or any foreign corporation authorized to do business in the Territory may, upon compliance with and subject to the provisions, limitations and restrictions contained in this chapter and any other applicable law, engage in the business of an industrial loan and investment company if it is so authorized under the general corporation laws, if a domestic corporation, or under the laws of the State or Territory where incorporated if a foreign corporation. The provisions of this chapter shall apply to and govern all corporations hereafter formed under the laws of the Territory and all foreign corporations hereafter authorized to do business in the Territory and which engage in or attempt to engage in the business of an industrial loan and investment company.

"Sec. 6782-C. Scope and application of chapter to existing corporations. The provisions of this chapter shall apply to and govern all corporations now existing under the laws of the Territory or authorized to do business in the Territory and engaged in the Territory in the business of an industrial loan and investment company, as defined in this chapter; and the powers, duties, privileges and restrictions conferred and imposed upon any industrial loan and investment company now existing under the laws of the Territory and doing business in the Territory, subject to this chapter, are abridged, enlarged and modified, as each particular case may require, to conform to the provisions of this chapter. Nothing in this chapter shall be construed to impair the obligation of any contract heretofore made or to the legality of investments heretofore made or transactions heretofore had, pursuant to the provisions of law in force when such contract, investments or transactions were made and transacted.

Every corporation now existing and engaged in the business of

* See Small Loan Act, pages 241 to 255.

an industrial loan and investment company within the Territory and subject to this chapter, shall, on or before July 1, 1938, alter or amend its articles of association and by-laws, if necessary, to conform to the requirements of this chapter and shall by said time make its business conform in all respects to the requirements of this chapter.

"Sec. 6782-D. General corporation laws applicable when. All provisions of the general corporation law, not inapplicable and not inconsistent with the provisions of this chapter, shall apply to incorporated industrial loan and investment companies.

"Sec. 6782-E. Licenses. Every corporation and any person, firm, partnership or unincorporated association which may hereafter engage in the industrial loan and investment business and which person, firm, partnership or unincorporated association has any certificate of indebtedness or investment outstanding or which may hereafter desire to issue any such certificate shall obtain a license to engage in such business from the treasurer in the manner and subject to the conditions herein provided. No such certificate shall hereafter be issued by any such person, firm, partnership or unincorporated association which, at the time this Act takes effect, has no such certificate outstanding, without first obtaining such a license.

Any person, firm, partnership or unincorporated association which may hereafter engage in the industrial loan and investment business and which does not have any such certificate outstanding may, nevertheless, avail itself of the benefits of this chapter by obtaining, in the manner and subject to the conditions herein provided, a license from the treasurer to engage in such business. Any person, firm, partnership or unincorporated association obtaining such a license shall be subject to this chapter and shall possess all of the rights, powers and privileges and shall be subject to all of the duties, restrictions and limitations contained in this chapter. No person, firm, partnership or unincorporated association which fails to obtain, in the manner herein provided, a license, as aforesaid, shall possess or exercise, unless expressly given and possessed or exercised under other laws, any of the benefits, rights, powers or privileges which are herein conferred upon licensees hereunder.

"Sec. 6782-F. Application for license. Any corporation, person, firm, partnership, or unincorporated association required or desiring to obtain a license to operate under this chapter shall file an application, in writing, under oath, with the bank examiner, in the form prescribed by the bank examiner, which shall contain: (1) the full name and address of the applicant, and, if the applicant is a firm, partnership, or unincorporated association, of every

member thereof; (2) the county and town with street and number where the business is to be conducted; and (3) such other information as the bank examiner may require.

Upon the filing of such application, if the bank examiner shall upon investigation find: (1) that the financial responsibility, experience, character and general fitness of the applicant, and of the officers or members thereof are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly and efficiently within the purpose of this chapter; (2) that allowing such applicant to engage in such business will promote the convenience and advantage of the locality or community in which the business of the applicant is to be conducted; and (3) that the applicant has available for the operation of such business at the specified location capital of at least twenty-five thousand dollars (\$25,000.00); (the foregoing facts being conditions precedent to the issuance of a license under this chapter), he shall write upon the face of said application the fact that he has approved the same, together with the date and affix his signature. The application shall then be returned to the applicant who shall upon receipt of an approved application transmit the same within thirty (30) days, to the treasurer of the Territory of Hawaii. The treasurer shall file and preserve such application.

No application shall be disapproved except after the applicant shall have had a notice of a hearing on said application and an opportunity to be heard thereon. If the application is denied, the bank examiner shall, within twenty (20) days thereafter, prepare and keep on file in his office, a written order of denial thereof, which shall contain his findings with respect thereto and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof. Within ten (10) days after the receipt of such copy the applicant may appeal from said order of denial to a board consisting of the treasurer, auditor and attorney general by filing with the said auditor a notice of appeal. After notice by mail to the applicant and after a hearing at which the applicant shall be entitled to be present and to be heard, the said board may order the bank examiner to approve the application or affirm his action in disapproving the same.

"Sec. 6782-G. Licenses must be secured; by whom. No corporation, person, firm, partnership or unincorporated association required by section 6782-E to secure a license under this chapter shall engage in the business of an industrial loan and investment company without first obtaining such a license.

"Sec. 6782-H. Application to be filed with treasurer; fee; license. The applicant at the time of filing an approved application with the treasurer shall pay to the treasurer, for the use of the

Territory, the sum of thirty-five dollars (\$35.00) as a license fee. The treasurer shall then issue a written license to such corporation, person, firm, partnership, or unincorporated association, conditioned according to law, authorizing such corporation, person, firm, partnership, or unincorporated association to engage in the business of an industrial loan and investment company.

"Sec. 6782-I. Directors of corporations. The corporate powers of any domestic incorporated company shall be exercised by a board of directors which may be any number, not less than five (5), as shall be fixed by the articles of incorporation. Each director shall own in his own right and have in his personal possession or control common or preferred shares of a stock in the company of which he is a director aggregating at least five hundred dollars (\$500.00) in par value, and which must be unpledged and unencumbered at the time of his becoming a director and during the whole of his term as such. Any director violating the provisions of this section shall thereby vacate his office and the remaining directors shall proceed forthwith to fill such vacancy.

Every person serving as a director at the time this chapter takes effect may continue as such director until the expiration of the term for which he was elected or appointed without being subject to or affected by the provisions of this section.

"Sec. 6782-J. No mutual corporations. No incorporated company of a mutual character shall engage in the industrial loan and investment business nor shall the treasurer issue a license to any such company.

"Sec. 6782-K. Capital stock. The capital stock of any incorporated company, subject to or engaged in business under the provisions of this chapter, shall be not less than fifteen thousand dollars (\$15,000.00), which said capital stock shall be fully paid to the corporation in cash and no commission, fees, brokerage or other compensation of any kind shall be paid, either directly or indirectly, to any person, firm, association or corporation for the sale of such stock. The amount of such capital stock shall not, at any time thereafter, be voluntarily reduced below the amount originally paid in, except as may be permitted and in the manner provided by chapter 221, provided, however, that the amount of such capital stock shall at all times be at least fifteen thousand dollars (\$15,000.00). Any incorporated company organized prior to the passage of this chapter shall be exempt until July 1, 1938, from complying with the provisions in respect to capital requirements provided by this section.

In the event the capital of any such company should for any reason become impaired, the right to sell or offer to sell certificates

of indebtedness or investments as in this chapter provided shall forthwith be suspended until said capital stock has been restored.

"Sec. 6782-L. Capital of others. Any person, firm, partnership or unincorporated association, subject to this chapter, shall be exempt, until July 1, 1938, from complying with the capital requirements provided by section 6782-F of this chapter.

"Sec. 6782-M. Specific powers. Every industrial loan and investment company subject to this chapter, shall possess and may exercise the following powers; (1) to issue, negotiate and sell its secured or unsecured certificates of indebtedness or investment upon such terms and conditions, in such form, payable at such times and bearing such rate of interest as may be approved in writing by the bank examiner; and to borrow money upon his or its own secured or unsecured notes; (2) to lend money upon individual credit or upon the security of co-makers, personal endorsement, or the pledge or mortgage of real or personal property or choses in action, and contract for such interest, discount or other consideration permitted by this chapter; (3) to invest in bonds, notes, certificates, or other evidences of indebtedness which are the direct or indirect obligations of the United States, or of the Territory of Hawaii, or any county or city and county of the Territory, or of the several states or any municipality therein, which for the period of five years prior to the date of such investment has promptly paid the principal and interest on its bonds and other obligations in lawful money of the United States; (4) to invest in bonds or notes rated in one of the first three classifications established by one or more standard rating services to be specified by the bank examiner and which satisfy such requirements of marketability as may be prescribed from time to time by the bank examiner; (5) to invest in bonds and debentures issued under and by the authority of the Federal Farm Loan Act or of the Federal Home Loan Bank Act, or of the Home Loan Bank Act, or of the Home Owner's Loan Act of 1933 or of any amendments to said Acts, or in Consolidated Federal Home Loan Bank bonds; (6) subject to such regulations as may be prescribed by the Federal Housing Administrator pursuant to the National Housing Act, approved June 27, 1934, and subject also to such regulations and conditions as may be prescribed by the bank examiner, said companies are authorized to make such loans and advances of credit as the Federal Housing Administrator insures or makes a commitment to insure pursuant to Titles I and II of the National Housing Act and to obtain such insurance, and no law of this Territory prescribing the nature, amount, form or security, or requiring security upon which loans or advances of credit may be made, or prescribing or limiting interest rates upon loans or ad-

vances of credit, or prescribing or limiting the period for which loans or advances of credit may be made, shall apply to any loans or advances of credit made pursuant to the provisions of this subdivision (6) of this section; (7) to discount, purchase or otherwise acquire notes, installment contracts, warehouse receipts, or other choses in action, notwithstanding the provisions of section 6745 of the Revised Laws of Hawaii 1935, to the contrary; (8) to invest in stocks of corporations incorporated within the Territory of Hawaii or elsewhere in the United States; (9) to establish branches with the prior written consent of the bank examiner; and (10) to finance purchases for companies by taking title to merchandise temporarily and only for the purpose of securing loans entered into for such purchases.

“Sec. 6782-N. Rate or rates of interest. No industrial loan and investment company, subject to the provisions of this chapter, shall directly or indirectly charge, contract for, collect or receive any interest, discount, fees, charges or other consideration on any loan or loans made by it except as provided by this section.

Interest on loans made by any industrial loan and investment company, subject to this chapter, may be deducted in advance at the rate of but not exceeding one per centum (1%) per month, and in addition, the company may require and receive weekly, monthly or other periodical installments with the privilege to the company to declare the entire unpaid balance due and payable in the event of default in the payment of any installment. No person, firm, association, partnership or corporation (not holding a license issued under this chapter) shall charge, contract for, collect or receive interest, discounts, fees, charges or other consideration on any loan or loans in the amount or in the manner provided in this section, unless permitted so to do by other territorial law.

“Sec. 6782-O. Restrictions on loans. An industrial loan and investment company, subject to this chapter, shall not: (1) hold at any one time the obligations of any person whose liability to such company either directly or indirectly is in an amount in excess of five per cent (5%) of the unimpaired capital and surplus of the company; (the obligations of any person within the meaning of this section shall include the obligations of any co-partnership or unincorporated association of which such person is a member and the obligations of any corporation a majority of the capital stock of which is owned or held by such person, provided, that the above restriction shall not apply to loans adequately collaterally secured); (2) either directly or indirectly make any loan to, or take any note or other obligation bearing the signature or endorsed or guaranteed by any officer, director or employee of such com-

pany; or (3), if an incorporated company, make loans on the security of its own capital stock.

"Sec. 6782-P. Mortgage loans. No industrial loan and investment company, subject to this chapter, shall make any loan or grant any extension of credit secured by a mortgage or deed of trust upon real estate: (1) unless such mortgage or deed of trust is a first lien, exclusive of taxes and improvement assessments not delinquent, upon improved real estate located within the county or city and county in which the principal office of such company is located; and unless such fact is satisfactorily established by an abstract, land court certificate of title or a certificate of title issued by a competent and disinterested searcher of title; and (2) unless the amount or unpaid principal balance of such mortgage loan does not exceed seventy-five per cent (75%) of the appraised value of such real estate, together with the improvements thereon, provided that this restriction shall not apply to mortgage loans made and insured pursuant to the provisions of the National Housing Act and regulations of the Federal Housing Administration. The appraisals shall be in such form as shall be designated or approved by the bank examiner and shall be certified by a competent and disinterested appraiser. Such appraisals shall be kept in the files of the company and duplicate originals thereof shall within ten (10) days after the date of making such loan be filed in the office of the bank examiner.

"Sec. 6782-Q. Reductions of obligations. Except as herein otherwise provided, any industrial loan and investment company, subject to this chapter, which has obligations of indebtedness in violation of the limitations prescribed in this chapter, shall, within one year from the time the Act takes effect, unless extension is granted in writing by the bank examiner, cause such obligations to conform to the limitations prescribed herein. The bank examiner may, in his discretion, extend the time for effecting such conformity, in individual instances, if the interests of the creditors will be protected and served by such extension. Upon the failure of any such company to comply with such limitations, in accordance with the terms of this section, or in accordance with any order of the bank examiner made concerning such limitations, the bank examiner may declare that such company is conducting its business in an unauthorized or unsafe manner and proceed as by this chapter provided.

"Sec. 6782-R. Real estate. Any industrial loan and investment company, subject to this chapter, shall have the power to purchase, hold and take title to real estate for the following purposes and for no others; (1) such as shall be necessary for the convenient transaction of its business, but the cost or value of such real estate as

carried on its books shall not exceed twenty-five per cent (25%) of the amount of its unimpaired capital and surplus, without the written consent of the bank examiner; (2) such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings, or in exchange for real estate so conveyed to it; and (3) such as it shall purchase at sales under judgments or decrees of foreclosure on mortgages or deeds of trust held by such company or shall acquire as additional security for obligations due such company, provided, that real estate acquired other than that acquired for use as a business site provided in (1) above, shall be disposed of within two years, provided that such time may be extended for such reasonable further period as the treasurer may allow.

"Sec. 6782-S. Sales considered loans. No company shall engage in the wholesale or retail mercantile business, provided, however, that the taking of title to personal property, at a price below the cash market value of said personal property, at the date of the transaction and the sale of such personal property to the former owner thereof on conditional sales contract, shall, for the purposes of this Act, be considered a loan and be subject to the same restrictions as to interest, charges, fees and fines as any other loan made pursuant to this chapter.

"Sec. 6782-T. Certificates of indebtedness or investment. Certificates of indebtedness or investment issued by any industrial loan and investment company, subject to and permitted by this chapter to issue such certificates, may be issued as fully paid certificates or certificates to be paid in installments by the purchaser. All of the terms and conditions upon which any such certificates of indebtedness or investment are issued shall be clearly stated therein. Any company may by contract provide that it shall not be required to pay on its such certificates of indebtedness or investment any amount exceeding its net receipts of the previous calendar month, in which event such certificates must be redeemed in the order in which they are presented for redemption or as otherwise prescribed by special regulation of the bank examiner; provided, that during the time a company is availing itself of the foregoing provision, or the provisions of this chapter, it shall not issue any certificate of indebtedness or investment.

Fully paid certificates shall be payable at a date certain not less than ninety (90) days subsequent to the date of issue thereof and in no event shall any such certificate be paid prior to maturity, except that after ninety (90) days from date of issuance such company may at any time redeem any of such certificates upon thirty (30) days' notice in writing to the holder thereof prior to such redemption. If such certificate is not presented for payment by the

holder thereof at maturity, such certificate shall be payable thereafter only upon at least thirty (30) days' notice in writing given by the holder thereof to the company issuing the same.

Installment certificates shall be payable only after ninety (90) days' notice in writing given by the holder thereof to the company issuing the same, except that any such company may waive such notice whenever its reserve balance equals or exceeds the amount provided in section 6782-U hereof. Such company may at any time redeem any of such certificates upon thirty (30) days' notice in writing to the holder thereof prior to such redemption.

No company shall have outstanding at any time unsecured certificates of indebtedness or investment in excess of two times its unimpaired issued and outstanding capital, if a corporation, or of its good unimpaired capital, if unincorporated.

"Sec. 6782-U. Reserve balances. Every company issuing certificates of indebtedness or investment shall at all times maintain a reserve balance equal to at least five per cent (5%) of the total amount paid in on all of its outstanding certificates of investment or indebtedness which said reserve balance shall consist of cash on hand or on demand deposit with a solvent domestic bank doing business in the Territory of Hawaii. If at any time such reserve balance shall be reduced below the amount herein prescribed, such company shall not issue any additional certificates of indebtedness or investment until such reserve balance shall have been fully restored to the amount herein prescribed. Such of the officers and directors as participate in violating any of the provisions of this section shall be jointly and severally liable to the holder or holders of any such certificates of indebtedness or investment for any loss suffered or sustained by them accruing by reason of such violation.

"Sec. 6782-V. Surplus and dividends; withdrawal of profits. Every incorporated company subject to this chapter shall on June 30 and December 31 of each year, and before the payment of any dividends on its outstanding stock, both common and preferred, transfer to its surplus account a credit equal to not less than five per cent (5%) of the net earnings of such company for the preceding six months. No such company shall declare or pay dividends upon its stock in any form unless its capital is unimpaired and unless a surplus fund equal to twenty-five per cent (25%) of its capital has been accumulated and is maintained unimpaired, provided, that after the aforesaid transfer to its surplus account and if its capital is unimpaired it may, before a surplus fund equal to twenty-five per cent (25%) of its capital has been accumulated, pay dividends on its outstanding stock to the extent of fifty per cent (50%) of such net earnings as were acquired subsequent to the earnings out of which its last preceding dividend was paid. No

person, firm, partnership or unincorporated association, subject to this chapter, shall permit profits to be withdrawn if the capital required by this chapter to be maintained is not actually invested in the business and unless, except as aforesaid, a surplus fund equal to twenty-five per cent (25%) of his or its capital has been accumulated and is maintained and unimpaired.

“Sec. 6782-W. Regulation by the bank examiner. The bank examiner shall have power with the approval of the Governor to make, and from time to time to amend, supplement and rescind, in whole or in part, regulations not inconsistent with this chapter and the laws of this Territory, governing procedure before the bank examiner and the exercise by the bank examiner of the powers, discretions, rights and privileges vested in him by this chapter; any regulations so made shall be published by the examiner in the manner prescribed for the promulgation of laws of the Territory, and upon such publication shall have the force and effect of law.

“Sec. 6782-X. Reports, forms and statements. Each company subject to this chapter shall keep such books and records as are deemed necessary by the bank examiner.

On or before the 31st day of January and July of each year industrial loan and investment companies, subject to the provisions of this chapter, shall file with the bank examiner a report upon a form to be prescribed and furnished by the bank examiner, of its condition, affairs and operation for the six months ending June 30 and December 31 last preceding. Such report shall be verified under oath, and contain such information as the bank examiner requests in the forms so furnished.

Every company subject to this chapter shall furnish to the bank examiner such special or supplementary reports, covering all or any items or matters or classes thereof which are or might be required to be covered by a semi-annual report, in such form, at such time or times, and within such reasonable period or periods after request therefor, as the bank examiner shall deem necessary or expedient in the interest of the public. Such report or reports shall be in writing under oath.

Every company subject to this chapter shall publish in the English language, in a newspaper of general circulation in the Territory of Hawaii, on or before the last Monday of January and July in every year, a statement of its assets and liabilities as of December 31 and June 30, respectively, in a form prescribed by the bank examiner, provided, however, that a non-investment company, as specified and defined in section 6782-AA, shall only be required to publish a statement of its assets and liabilities upon the written order of the bank examiner.

If any officer of any industrial loan and investment company shall fail to file such report or if any such report shall be delayed or withheld beyond the day when the same should be so filed, such officer shall forfeit and pay the sum of ten dollars (\$10.00) for every day such report is withheld or delayed or not completed and any shareholder of any incorporated industrial loan and investment company or any party in interest may maintain an action in his own name to receive such penalty and the same shall be paid to the territorial treasurer.

The provisions of section 6782-X shall not be applicable to foreign corporations, but such foreign corporations shall file annual reports with the bank examiner upon a form to be prescribed and furnished by the bank examiner within such time as he shall prescribe.

"Sec. 6782-Y. Bond of officers. Any officer or employee of every industrial loan and investment company, subject to this chapter, having control of or access to moneys or securities of such company in the regular discharge of his duties, shall, before entering upon the performance of his duties, execute his individual bond with adequate surety payable to the company to indemnify such company for any pecuniary loss it shall sustain of money or personal property by any act or acts of fraud, dishonesty, forgery, theft, embezzlement, wrongful abstraction or wilful misapplication. In lieu of individual bonds, a blanket bond covering all such officers and employees may be used, subject to the same approval as individual bonds. No officer or director of such company shall sign and execute the bond of any other person as surety thereon. If any bonds required by this section are signed by individuals as sureties, the bonds must contain separate affidavits as to the net worth of each surety.

"Sec. 6782-Z. Restrictions on business and advertising. No industrial loan and investment company shall engage in the banking or trust or building and loan association business.

"Sec. 6782-AA. Exemption of non-investment companies. Industrial loan and investment companies, subject to this chapter, which do not have any certificate or certificates of indebtedness or investment outstanding and which do not issue any such certificate or certificates, shall not be subject to the provisions of sections 6782-P, 6782-Q, 6782-R, 6782-T, 6782-U and 6782-V of this chapter. No such company shall thereafter issue any such certificate or certificates without first obtaining the approval of the treasurer of the Territory, and such approval shall not be given, unless upon investigation, the treasurer finds that the provisions of sections 6782-P, 6782-Q, 6782-R, 6782-T, 6782-U and 6782-V have been and are fully complied with.

"Sec. 6782-BB. Penalties for violation. Any person who shall violate any of the provisions of this chapter for which there is no other penalty specifically provided herein, shall be liable, upon conviction, to pay a fine of not less than ten dollars (\$10.00) nor more than five hundred dollars (\$500.00) for each such violation.

"Sec. 6782-CC. Examination by bank examiner. The bank examiner shall, at least once in each year, without previous notice, in person or by any person by him appointed, examine into the business and affairs of every industrial loan and investment company, provided, however, that in the case of 'non-investment companies' as defined in section 6782-AA of this chapter, the bank examiner shall make only examinations of such non-investment companies for the purpose of ascertaining whether or not all matters of law pertaining to non-investment companies and particularly as to interest and other charges are being complied with.

Whenever in the judgment of the bank examiner the condition of any industrial loan and investment company renders it necessary or expedient to make an extra examination or devote any extraordinary attention to the conduct of its affairs he may cause a certified public accountant by him appointed, to make an audit or examination of such company's business and affairs; and in any such case such company shall pay a reasonable price to be fixed by the bank examiner for all such extra services rendered by such accountant.

For the purpose of the examinations aforesaid the bank examiner and his assistants or any other person authorized by him to make the examination shall have free access to all books and papers of the industrial loan and investment company, and may summon witnesses and administer oaths or affirmations, in the examination of the directors, officers, agents or employees of any such company or any other person in relation to its affairs, transactions and conditions. He may require and compel the production of records, books, papers, contracts or other documents by court action, if necessary. Any person knowingly or wilfully testifying falsely in reference to any matter material to said examination shall be deemed guilty of perjury and punished as in section 6114 provided, and any person who shall wilfully refuse or fail to attend, answer or produce books or papers, or who shall refuse to give said bank examiner or his assistant or the person authorized by him, full and truthful information and answer in writing to any inquiry or question made in writing by said bank examiner or assistant or the person authorized by him, in regard to the business carried on by such company, or other matters under investigation, or who shall refuse or wilfully fail to appear and testify under oath before the bank examiner, his assistant or the person authorized by him, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be liable to pay a fine of not more than five hundred dollars

(\$500.00), or shall be liable to imprisonment for a term not to exceed three (3) months, or shall be liable to both such fine and imprisonment.

"Sec. 6782-DD. Report of examination. As soon as possible after the completion of an examination the bank examiner shall report in writing his findings to the treasurer of the Territory of Hawaii.

"Sec. 6782-EE. False entries. Any director, officer, agent or employee of any incorporated industrial loan and investment company, or any licensee hereunder, or agent, member or employee of any such licensee, who shall knowingly or wilfully make any false certificate, entry or memorandum upon any of the books or the papers of any company or upon any statement filed or offered to be filed in the bank examiner's office, or used in the course of an examination, inquiry or investigation with the intent to deceive the treasurer or the bank examiner, or his assistants, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be liable to pay a fine of not more than one thousand dollars (\$1,000.00) or shall be liable to imprisonment for not more than six (6) months, or shall be liable to both such fine and imprisonment.

"Sec. 6782-FF. Fees. The fees to be paid for examinations of industrial loan and investment companies shall be the same as those charged for examination of banks, trust companies and all fiduciary companies as provided by section 2227. All fees shall be paid direct to the treasurer of the Territory of Hawaii upon receipt of a bill from the bank examiner.

"Sec. 6782-GG. Not to divulge information. The treasurer, bank examiner, or his assistants, or any other person appointed by the bank examiner as provided by this chapter, shall not divulge any information acquired by them in the discharge of their duties, except insofar as the same may be rendered necessary by the provisions of this chapter or any other law or under order of court in an action involving the bank examiner or in any criminal actions or proceedings.

"Sec. 6782-HH. Sale of certificates of indebtedness or investment and stock; application for permission. Every industrial loan and investment company, before selling or offering for sale or exchange any certificate of indebtedness or investment, its stock, if a corporation, or other security whatsoever, whether issued for money paid in advance or for money to be paid in installments, shall give written notice to the bank examiner of its intention so to do and shall also make application to the treasurer for authority to sell or offer to sell certificates of indebtedness or investment under

oath and upon forms prescribed by the treasurer and no such certificate shall be sold or offered for sale without the prior authorization of the treasurer.

"Sec. 6782-II. Appointment of receiver in cases of irregularities. If upon the examination of any industrial loan and investment company as provided by this chapter or otherwise, the bank examiner shall ascertain and find that the laws of the Territory relating to industrial loan and investment companies are not being fully observed, or that any irregularities are being practiced, or that the capital has been or is in danger of being impaired, or that the company is conducting its affairs in an unsafe or unauthorized manner so that the continuance of its business would be hazardous to the public, or that it is necessary for the protection of creditors of the company, the bank examiner shall give immediate notice thereof to such company and demand that the said irregularities shall be promptly corrected, or that the impairment of the capital shall be made good, or that all unsafe and unauthorized practices be discontinued, and should such demand not be complied with within a reasonable time, not exceeding thirty (30) days after such notice, the bank examiner shall communicate such facts to the treasurer, and with his concurrence, application shall be made by the attorney general, on behalf of the bank examiner, to a judge or court of competent jurisdiction for the appointment of a receiver for such company. Upon presentation of such application and upon its being made to appear that any of the facts therein enumerated, as the ground for the application for a receivership exists, the court or judge shall immediately appoint a competent person as receiver and shall determine his bond and prescribe his duties, and may make such further orders as shall seem proper.

"Sec. 6782-JJ. Closing of doors without notice. If upon the examination of any such company, it is found to be insolvent, or it is deemed necessary by the bank examiner for the protection of the public interests, the examiner may at once close the doors of such company without any notice whatsoever, take charge of the books, assets and affairs of such company until the appointment of a receiver as provided by law.

"Sec. 6782-KK. Receiver; powers; duties. Any receiver appointed under the provisions of this chapter shall exercise and perform all of the powers and duties of a receiver of a fiduciary company, as conferred and prescribed in section 6763, which is hereby made applicable.

"Sec. 6782-LL. Preservation of records. Every industrial loan and investment company shall preserve all its records of final entry, including cards used under the card system for a period of at least

six years from the date of making the same or from the date of the last entry thereon.

"Sec. 6782-MM. Administration. The provisions of this chapter shall be administered in conjunction with sections 6758 to 6764, both inclusive.

"Sec. 6782-NN. Short title. This Act shall be known and may be cited as 'The Industrial Loan and Investment Act'.

"Sec. 6782-OO. Constitutionality. If any part or parts of this chapter shall be held to be unconstitutional, such unconstitutionality shall not affect the validity of the remaining parts of this chapter. The legislature hereby declares that it would have passed the remaining parts of this chapter if it had known that such part or parts thereof would be declared unconstitutional."

Section 2. Chapter 233 of the Revised Laws of Hawaii 1935 is hereby repealed.

Section 3. This Act shall take effect upon the first day of July, 1937.

(Approved May 17, 1937.) S.B. 244, Act 231.

CHAPTER 224. INSURANCE COMPANIES AND INSURANCE LAW.

[D-141] An Act to Amend Section 6844 of the Revised Laws of Hawaii 1935, Relating to Life Insurance of Minors.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6844** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6844. Life insurance; minors. No minor of the age of fifteen years or more, as determined by the nearest birthday, shall be deemed to be incompetent by reason only of his minority, to contract for any form of life insurance, or, subject to the provisions of any policy, to surrender, make loans upon or assign any insurance issued at any time upon his life, and to give a valid discharge for any benefit accruing or for any money payable under the contract and to exercise any of the rights or privileges reserved to the assured in and by any such policy of life insurance.

Where any form of life insurance is issued at any time upon the life of a minor, unless the policy shall otherwise provide, or

unless all of the premiums on the said policy shall be paid by the minor, then until such minor shall have reached the age of twenty years, the father of such minor, or in the event of the death of the father or the divorce of the parents and the custody of such minor being awarded to the mother, then the mother of such minor shall be authorized to surrender, make loans upon or assign such insurance and to give a valid discharge for any benefit accruing or for money payable under the contract, and to exercise any of the rights or privileges reserved to the assured in and by any such policy of life insurance without the order or intervention of any court, or the appointment of a legal guardian, and no insurance company shall have any responsibility for or be required to see to the application of the proceeds paid in accordance herewith.

Unless at the time of issuance, the policy of insurance shall provide otherwise, the ownership of, or property interest of the assured in, any policy of life insurance issued on the life of any minor shall be deemed to be in said minor and shall continue in said minor unless and until the same shall have lapsed or shall have been surrendered, assigned or otherwise acted upon in accordance with the provisions hereof while the minor is under the age of twenty years, or unless and until after said assured shall have reached the age of twenty years the same shall have lapsed or shall have been surrendered, assigned, or otherwise acted upon by said assured." [L. 1927, c. 130, s. 1; R. L. 1935, s. 6844; am. L. 1937, c. 49, s. 1.]

Section 2. This Act shall take effect upon its approval and, except where otherwise provided in the policy, shall be applicable to all policies issued prior to, on or after the date of its approval.

(Approved April 21, 1937.) **S.B. 181, Act 49.**

MUTUAL AND FRATERNAL BENEFIT SOCIETIES.

[D-142] An Act to Amend Chapter 224, Title XXIV, of the Revised Laws of Hawaii 1935, as Amended by Act 172, Series D-137, Session Laws of Hawaii 1935, by Amending Section 6852 Thereof and by Adding to Said Chapter Eight New Sections to be Known as Sections 6852-A, 6852-B, 6852-C, 6852-D, 6852-E, 6852-F, 6852-G and 6852-H, Relating to Mutual and Fraternal Benefit Societies.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 6852, chapter 224, Title XXIV, of the Revised Laws of Hawaii 1935, as amended by Series D-137, Session

Laws of Hawaii 1935, is hereby amended by amending the first paragraph of said section to read as follows:

"Sec. 6852. Definition; exemption. Any corporation, society or voluntary association organized and carried on for the sole benefit of its members and their beneficiaries, and not for profit, and making provision for the payment of benefits in case of sickness, disability or death of its members, or disability or death of its members' wives or children, subject to the compliance with its constitution and by-laws, the fund from which the payment of such benefits shall be made and the fund from which the expenses of the society shall be defrayed being derived from assessments or dues collected from its members, and the payment of death benefits being made to the families, heirs, blood relatives or persons named by its members as their beneficiaries, and any corporation, unincorporated association, society or entity, not registered under existing law in the office of the treasurer of the Territory, organized and carried on for any purpose, which requires to be paid to it regular periodic payments of money by its members whether such money be in the form of dues, subscriptions, receipts, contributions, assessments, or otherwise, and which provides for the payment of any benefit or benefits or the payment of any money or the delivery of anything of value to its members or to any person or persons named by its members as their beneficiaries, shall be declared to be, for the purpose hereof, a mutual benefit society and shall be deemed to be a fiduciary company within the meaning of section 6758 and shall, in all respects, unless otherwise specifically provided, be subject to the provisions of chapter 221 relating to fiduciary companies. Such society shall be and is exempt from the provisions of the insurance laws of the Territory, except as hereinafter provided." [L. 1919, c. 101, s. 4; R. L. 1935, s. 6852, par. 1; am. L. 1937, c. 177, s. 1.]

Section 2. Said section 6852 and chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, are hereby amended by designating the second paragraph of said section "section 6852-A" and amending the same to read as follows:

"Sec. 6852-A. Registration. Any such society before doing business or engaging in any act shall file with the insurance commissioner duly certified copies of its constitution or organic instrument under which it purports to operate, by-laws, rules and regulations, if any. Any such society promising or offering to pay death or sick and disability benefits in an amount equal to or in excess of twenty-five dollars (\$25.00) shall also file copies of all proposed forms of benefit certificates, applications therefor and circulars to be issued by such society and the bond in the sum of five thousand dollars (\$5,000.00) with sureties approved by the insur-

ance commissioner conditioned upon the return of the advance payments hereinafter referred to, if the organization shall not be completed within one year. Upon the filing of the foregoing, and the furnishing of such additional information as the commissioner may require, if it appear to the satisfaction of the commissioner that the purposes of said society are lawful, the commissioner shall issue a certificate registering such society and licensing it to operate in the Territory of Hawaii, and in the case of any society offering or promising to pay death or sick and disability benefits in an amount equal to or in excess of twenty-five dollars (\$25.00), the commissioner, if satisfied that the purposes of said society are not for profit but for the benefit of its members, shall authorize such society to solicit members as hereinafter provided." [L. 1935, c. 172, s. 1, par. 1; am. L. 1937, c. 177, s. 2.]

Section 3. Said section 6852 and chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, are hereby amended by designating the third, fourth, fifth, seventh and eighth paragraphs of said section "section 6852-B" and by amending the said third paragraph by deleting in the twelfth and thirteenth lines thereof the words and figures "one hundred dollars (\$100.00)" and by inserting in lieu thereof the words "twenty-five dollars" and by deleting in the forty-first, forty-fourth and forty-fifth lines the words and figures "two hundred and fifty dollars (\$250.00)" each time that they appear and by inserting in lieu of each such deletion the words "twenty-five dollars" and by amending the first three lines of said paragraph to read as follows:

"Sec. 6852-B. Authority to offer death or sick and disability benefits; conditions. Each such society promising or offering to pay death or sick or disability benefits in an amount equal to or in excess of twenty-five dollars (\$25.00) may solicit members for the purpose of completing its organization upon receipt of the certificate and authority from the insurance commissioner, provided for in the preceding section, and shall collect from each"

Section 4. Said section 6852 and chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, are hereby amended by designating the ninth paragraph of said section "section 6852-C" and amending the same to read as follows:

"Sec. 6852-C. Annual exhibits; examination by treasurer. Each such society must file with the commissioner annually on or before the thirty-first day of January in each year a statement under oath in such form, under such heads and in such detail as the commissioner shall prescribe. Such societies promising or offering to pay death or sick or disability benefits shall set forth in said statement the total business transacted and the amount of gross receipts received by such society during the year ending December 31 last

preceding, the resources and liabilities of such society at the close of business on said December 31st, the receipts and expenditures, and the computation of the loss or gain of the society during said calendar year. The powers, authorities and duties relating to examinations vested in and imposed upon the insurance commissioner under the provisions of chapter 224 of the Revised Laws of Hawaii 1935, are hereby extended to and imposed upon the insurance commissioner in respect to examinations of such societies." [L. 1935, c. 172, s. 1, par. 8; am. L. 1937, c. 177, s. 4.]

Section 5. Said chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto a new section entitled and reading as follows:

"Sec. 6852-D. Investments of certain mutual benefit societies. No domestic mutual benefit society promising or offering to pay death or sick or disability benefits in an amount equal to or in excess of twenty-five dollars (\$25.00) shall invest any of its assets other than as authorized and provided for in respect to domestic insurance companies and societies under the provisions of this chapter, which provisions are hereby extended to and made applicable to such mutual benefit societies.

Section 6. Said chapter 224, Title XXIV, of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto a new section, entitled and reading as follows:

"Sec. 6852-E. Action or proceeding by or against mutual benefit societies. Each mutual benefit society shall elect or otherwise appoint among its officers a president and a treasurer, who shall be residents of the Territory of Hawaii.

An action or special proceeding may be maintained, by the president or treasurer of such society, to recover any property, or upon any cause of action, for or upon which all the associates may maintain such an action or special proceeding, by reason of their interest or ownership therein, either jointly or in common. An action may likewise be maintained by such president or treasurer to recover from one or more members of such society his or their proportionate share of any moneys lawfully expended by such society for the benefit of such associates, or to enforce any lawful claim of such society against such member or members.

An action or special proceeding may be maintained, against the president or treasurer of such a society, to recover any property, or upon any cause of action, for or upon which the plaintiff may maintain such an action or special proceeding, against all the associates, by reason of their interest or ownership, or claim of ownership therein, either jointly or in common, or their liability therefor, either jointly or severally, and any order, decree, judgment or

other ruling in any such case shall be binding upon the society and the members thereof.

The death or legal incapacity of a member of the society shall not affect an action or special proceeding, brought as prescribed in the last two paragraphs. If the officer, by or against whom it is brought, dies, is removed, resigns, or becomes otherwise incapacitated, during the pendency thereof, the court shall make an order, directing it to be continued by or against his successor in office, or any other officer, by or against whom it might have been originally commenced.

In such an action, the officer against whom it is brought cannot be arrested; and a judgment against him shall not authorize an execution to be issued against his property, or his person; nor shall the docketing thereof bind his real property, or chattels real. Where such a judgment is for a sum of money, an execution issued thereupon shall require the sheriff to satisfy the same, out of any personal or real property belonging to the society, or owned, jointly or in common, by all the members thereof.

Where an action has been brought against an officer, or a counterclaim has been made, in an action brought by an officer, as prescribed in this section, another action, for the same cause, shall not be brought against the members of the society, or any of them, until after final judgment in the first action, and the return, wholly or partly unsatisfied or unexecuted, of an execution issued thereupon. After such a return, the party in whose favor the execution was issued, may maintain an action, as follows:

1. Where he was the plaintiff, or a defendant recovering upon a counterclaim, he may maintain an action against the members of the society, or, in a proper case, against any of them, as if the first action had not been brought, or the counterclaim had not been made, as the case requires; and he may recover therein, as part of his damages, the costs of the first action, or so much thereof, as the sum, collected by virtue of the execution, was insufficient to satisfy.

2. Where he was a defendant, and the case is not within subdivision first of this section, he may maintain an action, to recover the sum remaining uncollected, against the persons who composed the society, when the action against him was commenced, or the survivors of them.

But this section shall not affect the right of the person, in whose favor the judgment in the first action was rendered, to enforce a bond or undertaking, given in the course of the proceedings therein.

This section shall not prevent an action from being brought by or against all the members of a society, except as prescribed in the preceding paragraphs. Where an action is brought against the members of the society, as prescribed herein, the time between the

commencement of the action by or against the officer, and the return of the first execution issued upon the final judgment rendered therein, shall not be a part of the time limited by law, for the commencement of the second action."

Section 7. Said section 6852 and chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, are hereby amended by designating the sixth paragraph of said section "section 6852-F" and amending the same to read as follows:

"Sec. 6852-F. Application. Any such mutual benefit society heretofore organized and now operating in the Territory of Hawaii, whether domestic or foreign, and any such society hereafter organized or hereafter desiring to operate in the Territory of Hawaii, whether domestic or foreign, shall qualify itself in conformity with the provisions of this chapter, and shall be subject to all provisions of law governing mutual benefit societies, within six months after the passage of this Act, failing which its right to operate shall cease, and in case any license fee has heretofore been paid, the same shall be refunded in the proportion that its licensed term is then unexpired.

Mutual benefit societies promising or offering to pay death or sick or disability benefits in an amount equal to or in excess of twenty-five dollars (\$25.00) shall, subject to the approval of the commissioner, have the power to make a constitution and by-laws for the government of the society, the admission of its members, the management of its affairs, and the fixing and readjusting of the rates of contribution of its members, and shall have the power to amend such constitution and by-laws and such other powers as are necessary to carry into effect the object and purposes of the society, but shall not suspend temporarily any part of its constitution or by-laws as the same are governed by this Act. Upon compliance with the provisions of this Act any such society engaged in transacting business or operating in this Territory may exercise all of the rights conferred by this Act, and all of the rights, powers and privileges possessed by it under its constitution and by-laws, rules and regulations or articles of incorporation not inconsistent with this Act; provided, however, that no such society shall, after the effective date of this Act, issue any new certificate for the payment of death benefits or disability benefits except in compliance with the provisions of this Act, unless such society has to the credit of its death benefit fund assets equal to five times the maximum benefit promised or offered to be paid upon the death of a member, and also has to the credit of its disability or sick benefit fund assets equal to twenty times the amount of disability or sick benefit promised any one member during any thirty day period.

Any foreign society subject to the provisions of this Act shall not be excused or relieved from compliance with the provisions of this Act by reason of the non-residence of its members. Upon a showing to the satisfaction of the insurance commissioner that it is impracticable and would work a hardship to comply with that provision of section 6852-D requiring the election or appointment, among its officers, of a president and a treasurer, who shall be residents of the Territory of Hawaii, the insurance commissioner shall permit such society to qualify in this respect upon its appointment of a local agent, in the same manner and subject to the same conditions as are provided for in the case of foreign corporations under the provisions of chapter 222 and chapter 223 of the Revised Laws of Hawaii 1935. The provisions of section 6852-D applicable to the president and the treasurer of such society, shall likewise be applicable to such agent." [L. 1935, c. 172, s. 1, par. 5; am. L. 1937, c. 177, s. 7.]

Section 8. Said section 6852 and chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, are hereby amended by designating the seventh paragraph of said section "section 6852-G" and amending the same to read as follows:

"Sec. 6852-G. Penalty. Any person who shall be found in the Territory of Hawaii as officer, member, principal, agent, solicitor, or in any other capacity, soliciting or conducting or operating the business of a mutual benefit society, as defined in this chapter, not qualified and licensed to operate such business in conformity with the provisions of this chapter, or any trustee, officer or other person in charge of the affairs of any such society, who authorizes, sanctions or permits the issuance of any certificate, policy, or contract, for the payment of benefits, in violation of the provisions of this chapter, or any person who violates any other provision of this chapter relating to mutual benefit societies, shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined not more than one thousand dollars (\$1,000.00) or be imprisoned not more than one (1) year, or both." [L. 1935, c. 172, s. 1, par. 6; am. L. 1937, c. 177, s. 8.]

Section 9. Said section 6852 and chapter 224, Title XXIV of the Revised Laws of Hawaii 1935, are hereby amended by designating the eighth paragraph of said section "section 6852-H" and amending same to read as follows:

"Sec. 6852-H. None of the provisions of sections 6852 to 6852-G inclusive, shall apply to, or in any wise be held to affect, mutual benefit and fraternal societies which have been in existence and functioning within the Territory of Hawaii continuously for

twenty (20) years next preceding the taking effect of this Act.”
[L. 1935, c. 172, s. 1, par. 7; am. L. 1937, c. 177, s. 9.]

Section 10. This Act shall take effect upon its approval.

(Approved May 8, 1937.) S.B. 349, Act 177.

CHAPTER 225. PARTNERSHIPS, REGISTRATION OF.

PART I. GENERAL.

[D-143] An Act to Amend Chapter 225 of the Revised Laws of Hawaii 1935, by Adding Thereto a New Section to Be Numbered and Known as Section 6861-A, Relating to Change of Name of Copartnerships.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 225 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new section to be numbered and known as section 6861-A and to read as follows:

“Sec. 6861-A. Name; change of. Every copartnership lawfully transacting business in this Territory may change its name by filing in the office of the treasurer, on blanks to be furnished by the treasurer, a statement, acknowledged by each of the partners before a notary public, in the manner provided by law for acknowledgment of deeds, showing: (1) the present name of the copartnership; (2) the name of the copartnership, as changed by the partners; and (3) the facts required to be included in the statement made and filed under section 6860.

If any such statement shows a name, as changed, which is in violation of section 6861, the statement shall not be accepted or recorded by the treasurer.”

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) S.B. 302, Act 88.

[D-144] An Act to Amend Section 6866 of the Revised Laws of Hawaii 1935, Relating to the Penalties for Violations of Chapter 225 of the Said Revised Laws Concerning the Registration of Partnerships.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 6866** of the Revised Laws of Hawaii 1935 is hereby amended by deleting the word "five" in the sixth line thereof and inserting in lieu thereof the words "twenty-five", and also by deleting the word "day" in the seventh line thereof and inserting in lieu thereof the word "month".

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 301, Act 87.**

CHAPTER 226.

TRUST COMPANIES.

[D-145] An Act to Amend Section 6909 of the Revised Laws of Hawaii 1935, as Amended by Act 138 of the Session Laws of 1935, Relating to Investments by Trust Companies.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Paragraph 3 of subsection (a) of **section 6909** of the Revised Laws of Hawaii 1935, as amended by Act 138 of the Session Laws of 1935 is hereby further amended to read as follows:

"3. In bonds secured by either real or personal property of any corporation which at the time of such investment is incorporated under the laws of the United States or any state or territory thereof or the District of Columbia; provided that for a period of five years next preceding the date of such investment, there has been no default in payment of principal or interest on any of the general obligations of such corporation which has not within a period of six months after default been cured to the satisfaction of the treasurer of the Territory of Hawaii;".

Section 2. Paragraph 4 of subsection (a) of **section 6909** of the Revised Laws of Hawaii 1935, as amended by Act 138 of the Session Laws of 1935, is hereby further amended to read as follows:

"4. In notes or bonds secured by a first mortgage or deed of trust upon either improved or productive real estate and improvements thereon, in the Territory, which improvements may

be or include those to be placed thereon by means of the loan; provided that in each case, except for the purpose of facilitating the sale of property owned by the trust or guardianship, the total amount of the principal of the obligation secured by such mortgage or deed of trust shall not exceed sixty per centum of the appraised value of the security over and above all taxes due and assessments which are a lien upon the security or any part thereof; provided, further, that subsequent advances may be made for the payment of taxes, special assessments for public improvements, maintenance and repairs, to protect the security under the mortgage or trust deed, notwithstanding that the total amount of such principal will thereby be made to exceed sixty per centum of such appraised value;”.

Section 3. Paragraph 5 of subsection (a) **section 6909** of the Revised Laws of Hawaii 1935, as amended by Act 138 of the Session Laws of 1935, is hereby further amended to read as follows:

“5. In the notes or other obligations of any individual, copartnership, association or corporation with a pledge as collateral of stocks (except the stock of the trust company or of any corporation more than fifty per centum of the capital stock of which is owned by such trust company), bonds, notes or other securities or leaseholds and the improvements thereon; provided that the total amount of the principal of the notes or other obligations secured by such collateral shall not exceed sixty per centum of the appraised value of the security over and above all taxes due and assessments which are a lien upon the security or any part thereof; provided, further, that such assets may be invested in the notes or other obligations of any individual, copartnership, association or corporation secured by bonds, notes or obligations of the United States, if the total amount of the principal of the notes or other obligations secured by such bonds, notes or obligations does not exceed ninety per centum of the actual cash market value of such security; provided, further that such assets may be invested in the notes or other obligations of any individual, copartnership, association or corporation secured by mortgage notes which are in turn secured by first mortgages upon either improved or productive real estate, and improvements thereon, in the Territory of Hawaii, if the total amount of the principal of the notes and other obligations secured by such mortgage notes does not exceed ninety per centum of the aggregate basic values of such mortgage notes, the basic value of each mortgage note being whichever is lower of the following: (a) the face amount of such mortgage note, or (b) sixty per centum of the appraised value of the security for such mortgage note over and above all taxes due and assessments which are a lien upon such security or any part thereof;”.

Section 4. Paragraph 7 of subsection (a) of **section 6909** of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"7. In the bonds of any foreign country or political subdivision thereof, provided investments therein shall have been approved by the bank examiner of the Territory, who, however, shall not approve investments in the bonds of any foreign country or political subdivision thereof which, to his knowledge, has been, within a period of five years next preceding the date of the investment, in default in the payment of either principal or interest on any of its general obligations;".

Section 5. Paragraph 5 of subsection (b) of **section 6909** of the Revised Laws of Hawaii 1935, as amended by Act 138 of the Session Laws of 1935, is hereby further amended by adding at the end thereof the following:

"and provided, further, that if there shall be included in such property, any interest in a partnership, the trust company as trustee or guardian shall have power under such terms, conditions and agreements as may be approved by the court on ex parte order or upon such notice as the court may direct, to become or continue to be a special partner in such partnership upon compliance with the provisions of chapter 225."

Section 6. This Act shall take effect upon its approval.

(Approved April 20, 1937.) **S.B. 218, Act 43.**

[D-146] An Act to Amend Section 6909 of the Revised Laws of Hawaii 1935, Relating to Investments by Trust Companies.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Paragraph 4 of subsection (b) of **Section 6909** of the Revised Laws of Hawaii 1935 is hereby amended by adding, after the word "shall", in the fifth line thereof, a "comma" and the following:

"unless it is otherwise ordered by the court, which order may be made on an ex parte hearing,".

Section 2. Paragraph 6 of subsection (b) of **Section 6909** of said Revised Laws is hereby amended by adding, after the word "shall", in the second line thereof, a "comma" and the following: "unless it is otherwise ordered by the court, which order may be made on an ex parte hearing,".

Section 3. This Act shall take effect upon its approval.

(Approved April 21, 1937.) **S.B. 212, Act 50.**

CHAPTER 226A. LOANS AND INVESTMENTS: SPECIAL

[D-147] An Act to Amend the Revised Laws of Hawaii 1935 by Adding Thereto a New Chapter to Be Numbered 226A, Relating to Loans and Investments by Banks, Building and Loan Associations, Insurance Companies, Trust Companies, Executors, Administrators, Guardians, Trustees and Other Fiduciaries, and the Use of Certain Securities as Collateral or for Deposits, in Accordance With the "National Housing Act", Repealing Acts 109 and 117 of the Session Laws of Hawaii 1935, and Validating Acts Heretofore Performed Under Said Acts or Either of Them.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. A new chapter is hereby enacted and added to the Revised Laws of Hawaii 1935 to be numbered 226A, and to read as follows:

"CHAPTER 226A. LOANS AND INVESTMENTS: SPECIAL.

National Housing Act.

"Sec. 6922. Loans by banks, building and loan associations, insurance companies and trust companies authorized; exempt from territorial requirements. Pursuant to such regulations not inconsistent with this Act, as the bank examiner of the Territory finds to be necessary and proper and prescribes (which regulations need not be published in any newspaper in order to be valid), banks, savings banks, building and loan associations, insurance companies and trust companies are authorized to make such loans secured by mortgages as are insured pursuant to Title II of the Act of Congress, entitled 'National Housing Act', and to obtain such insurance.

No law of the Territory prescribing the nature, amount or form of security or requiring security upon which loans or advances of credit may be made, or prescribing or limiting interest rates upon loans or advances of credit, or prescribing or limiting the period for which loans or advances of credit may be made shall be deemed to apply to loans made pursuant to the foregoing paragraph.

"Sec. 6922A. Investments by same, and by executors, administrators, guardians, trustees and fiduciaries authorized. Banks, savings banks, building and loan associations, insurance companies, trust companies, executors, administrators, guardians,

trustees and other fiduciaries, may invest their funds, and the moneys in their custody or possession, eligible for investment, in notes or bonds secured by mortgage insured pursuant to section 6922, and in securities issued by national mortgage associations organized under Title III of said National Housing Act.

The notes, bonds and other securities herein made eligible for investment may be used as collateral or for deposit in any case where collateral or deposits may by law be required or permitted as security.

Section 2. Act 109, Series D-142, and Act 117 (not printed) of the Session Laws of Hawaii 1935 are hereby repealed; provided that nothing herein contained shall be deemed to invalidate any act done prior to such repeal which would be valid under either of said Acts. All acts done prior to such repeal pursuant to either or both of said Acts, which would be valid under either of said Acts standing alone, or under both of said Acts, are hereby ratified, validated and confirmed.

Section 3. This Act shall take effect upon its approval.

(Approved April 22, 1937.) S.B. 227, Act 58.

Title XXV. BUSINESS LAW AND REGULATIONS.

CHAPTER 230. BOXING CONTESTS.

[D-148] An Act to Amend Sections 6991, 6992 and 6993 of the Revised Laws of Hawaii 1935, Relating to Boxing Contests.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 6991 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 6991. Commission established. There is created and established a board which shall be known as the territorial boxing commission of Hawaii. The commission shall consist of five members who shall be appointed and may be removed by the governor in the manner provided by section 80 of the Organic Act. Two of the members shall be selected from the delegates to the Hawaiian Association of the Amateur Athletic Union of the United States of

America so long as there are any such delegates. If there are no such delegates other persons may be appointed. One member shall be designated by the governor as chairman of the commission." [L. 1929, c. 216, s. 1; R. L. 1935, s. 6991; am. L. 1937, c. 213, s. 1.]

Section 2. Section 6992 of said Revised Laws is hereby amended to read as follows:

"Sec. 6992. Term of office and expenses of commissioners. The members of the commission shall be appointed, one for a term to expire on December 31, 1937, one for a term to expire on December 31, 1938, one for a term to expire on December 31, 1939, one for a term to expire on December 31, 1940, and one for a term to expire on December 31, 1941; thereafter every appointment shall be made for a term of five years commencing from the date of the expiration of the last preceding term. Any vacancy shall be filled by appointment for the remainder of the unexpired term.

If any member who is selected from among the delegates to the Hawaiian Association of the Amateur Athletic Union of the United States of America ceases to be such delegate, his term of office shall terminate ipso facto.

The members of the commission shall receive no compensation for their services but shall be reimbursed their actual traveling and other expenses incurred in the performance of their official duties." [L. 1929, c. 216, s. 2; R. L. 1935, s. 6992; am. L. 1937, c. 213, s. 2.]

Section 3. Section 6993 of said Revised Laws is hereby amended to read as follows:

"Sec. 6993. Quorum; office. Three members of the commission shall constitute a quorum for the exercise of the powers or authority conferred upon it, but the concurrence of at least three members shall be necessary to make any action of the commission valid.

The commission shall maintain in the city of Honolulu a general office for the transaction of its business. The commission may hold meetings at any other place when the convenience of the members so requires." [L. 1929, c. 216, ss. 3, 4; R. L. 1935, s. 6993; am. L. 1937, c. 213, s. 3.]

Section 4. Nothing in this Act shall be construed to disturb the terms of office of the present members of the territorial boxing commission.

Section 5. This Act shall take effect upon its approval.

(Approved May 14, 1937.) **S.B. 214, Act 213.**

CHAPTER 231A. GASOLINE, FUEL AND MOTOR OIL.

[D-149] An Act to Prevent Fraud or Misrepresentation in the Distribution and Sale of Any Liquid Represented as Gasoline, Distillate or Other Motor Fuel, and Any Oil Represented as Lubricating or Motor Oil: Regulating the Distribution and Sale of Such Products: Defining the Powers and Duties in Relation Thereto of the High Sheriff, Chief of Police of the City and County of Honolulu, and the Sheriffs of Each County and City and County, Their Deputies and Assistants and Any Police Officer Acting Under Them: Prescribing Penalties for the Violation of Provisions Hereof: and Repealing Acts and Parts of Acts Inconsistent Herewith.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 7045A.] Section 1. **Markings on Containers.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to sell, offer for sale or assist in the sale of, or permit to be sold or offered for sale, or deliver or offer for delivery, any liquid represented as gasoline, distillate, or other motor fuel, or any oil represented as lubricating or motor oil for internal combustion engines, at any place where said products are kept or stored for sale, unless and until there shall be firmly attached to or painted upon each container, receptacle, pump, and inlet end of the fill-pipe of each storage tank, underground or otherwise, from which or into which said gasoline or oil is drawn or poured out for sale or delivery, and so as to be plainly visible, a sign or label consisting of the word or words, in letters not less than one-half ($\frac{1}{2}$) of an inch in height, "gasoline", "distillate", "motor fuel", "lubricating oil" or "motor-oil", as the case may be, together with the brand, trade-mark, or trade name of such product.

If any of such lubricating or motor oil so sold, or so offered for sale or delivery, has been previously used for the lubrication of internal combustion engines or any gearing or shafting attached to or connected thereto, or for any other lubricating purposes, and has been rerun, filtered, redistilled or reclaimed, each such sign or label shall bear the words in letters plainly visible and not less than three (3) inches in height "reclaimed used lubricating oil" or "reclaimed used motor oil", as the case may be, in addition to the brand, trade-mark, or trade name of such product; provided, that in attaching any such sign or label to the inlet end of the fill-pipe of an underground storage tank, it shall consist of a tag or plate firmly attached or affixed to such fill-pipe, at said end, so as to be

plainly visible when filling same, but the letters thereon may be of any convenient size; and provided, further, that as to any bottles used for dispensing lubricating or motor oil, either unused or reclaimed if such bottles are kept in baskets, stands or racks for holding same, it shall be sufficient to label each such basket, stand or rack in lieu of labelling the bottle itself, but no bottles containing reclaimed lubricating or motor oil shall be kept or commingled in any basket, stand or rack containing any bottles used to dispense unused lubricating or motor oils; and provided, further, that if any gasoline, distillate or other motor fuel shall have no brand, trade-mark or trade name, each such sign or label therefor shall consist of the words, in letters plainly visible and not less than three (3) inches in height, "gasoline, no brand", "distillate, no brand", or "motor fuel, no brand", as the case may be, and if any kerosene or lubricating or motor oil shall have no brand, trade-mark, or trade name, each such sign or label therefor shall consist of the words, in letters plainly visible and not less than three (3) inches in height, "lubricating oil, no brand" or "motor oil, no brand", as the case may be; provided, however, that if such lubricating or motor oil shall be reclaimed oil, each such sign or label shall also include the words "reclaimed used lubricating oil" or "reclaimed used motor oil", as the case may be. This provision as to size of letters shall not apply to signs or labels at the inlet end of any under-ground storage tank, which letters may be of any convenient size but must be plainly visible when filling such under-ground storage tank.

[Sec. 7045B.] Section 2. **Labels for Fuel Containers.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to transport in any tank-wagon or trailer, for the purpose of sale, or for delivery to any place where petroleum products are kept or stored for sale, any liquid sold as a fuel for internal combustion engines, unless and until there shall be firmly attached to or affixed at each outlet faucet or valve of each such tank-wagon, tank-truck and trailer, a metal tag, plate or label, on which is displayed, in letters plainly visible and not less than one-half ($\frac{1}{2}$) inch in height, the name of the particular product in the tank compartment the tank-wagon, tank-truck or trailer with which such valve or faucet is connected; and the brand, trade-mark, or trade name of such product, or the words "no brand".

[Sec. 7045C.] Section 3. **Where Labels Must Be Placed.** Whenever any pump, receptacle or other container is maintained or used to serve more than one driveway, the said signs or labels required under the provisions of section 1 of this Act shall be placed upon both sides of such pump, receptacle or other container

so that one set of signs or labels shall be clearly visible from each such driveway; and wherever any pump, receptacle or other container is maintained or used to serve only one driveway, such signs or labels shall be upon the side of such pump, receptacle or other container adjacent to such driveway.

[**Sec. 7045D.**] Section 4. **Hand Measures.** Small hand measures used for delivery of products specified in section 1 hereof, and filled in the presence of the customer, need not be labeled in accordance with provisions of this Act; provided, that the receptacle, container, or pump from which petroleum products are drawn or poured into such hand measures is properly labeled as hereinbefore in section 1 provided.

[**Sec. 7045E.**] Section 5. **Misrepresentation Unlawful.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to sell, attempt to sell, offer for sale or assist in the sale of, any of the products specified in section 1 hereof, and wilfully and falsely represent the same to be the product of any manufacturer, refiner, or producer other than the true manufacturer, refiner or producer thereof; and it shall be unlawful for any individual or any member of a firm or association or any officer of a corporation knowingly to permit any employee of such individual, firm, association or corporation, to sell, offer for sale or assist in the sale of said products and falsely represent the same to be the product of any manufacturer, refiner or producer, other than the true manufacturer, refiner, or producer thereof;

Provided, however, that neither this section nor section 2 shall apply to any person, firm, association or corporation who sells or offers for sale or transports under his own trade-mark, trade name or brand, the product of another manufacturer, refiner, or producer, if he has first obtained the written consent of such manufacturer, refiner or producer so to sell or transport such product, which written consent must specify the brand, trade-mark or trade name under which such product is to be sold.

[**Sec. 7045F.**] Section 6. **Container Refilling Limited to Brands.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to deposit or deliver into any tank, pump, container or receptacle, or into any bottle or bottles kept in a basket, stand or rack, at any place where petroleum products are kept or stored for sale, any product specified in section 1 hereof, other than that indicated by the brand, trade-mark or trade name displayed on such tank, pump, container, receptacle, bottle, basket, stand or rack, or the inlet end

of the underground storage tank, except as provided in section 5 of this Act.

[**Sec. 7045G.**] **Section 7. Unlawful to Display Signs Advertising Product Not Offered for Sale.** It shall be unlawful for any person, firm, association, or corporation, or any member, officer, agent or employee thereof, engaged in the business of selling at retail any of the products specified in section 1 hereof, to display any sign or other designating mark at or near the place of business of such person, firm, association or corporation describing or designating a brand, trade-mark or trade name of any of the products specified in section 1 hereof, not actually sold or offered for sale or delivery at the place of business where such sign or other designating mark is displayed.

[**Sec. 7045H.**] **Section 8. Signs Advertising Price.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to advertise at any place where any of the products specified in section 1 hereof, are sold or kept for sale, the price at which such products are offered for sale, without also clearly and conspicuously showing on the same sign, board, placard or other place where such price is so advertised, the name of the particular product, the price of which is so advertised, and also the trade name or brand, if any, of the product so offered for sale, and if such product has no trade name or brand, then the words, "no brand" shall be so displayed in connection with the designation of the product.

[**Sec. 7045I.**] **Section 9. Adulteration Unlawful.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof to mix or adulterate any of the products specified in section 1 hereof, and to fraudulently sell or offer for sale or attempt to sell or assist in the sale of, any of the products resulting from such mixture or adulteration as the product of a brand, trade-mark, trade name, maintained and in general use by any other manufacturer, refiner, producer or marketer.

[**Sec. 7045J.**] **Section 10. Tanks or Containers Refilled With Product Other Than That Originally Contained Therein.** It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to place, store or keep, or cause or permit to be placed, stored or kept, for the purpose of sale, in any storage tank, underground or otherwise, container or receptacle, any of the products specified in section 1 hereof, if such tank has previously contained a different product, or the product of a different manufacturer, refiner, producer, or marketer unless and until such tank, container or receptacle shall

first have been emptied and relabelled in all respects in accordance with the provisions of this Act.

[**Sec. 7045K.**] **Section 11. Pumps Must Deliver Product Named by Label.** (a) It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to attach or connect, or to cause or permit to be attached or connected, any pump, container or other device, used for or in the drawing, pouring, or delivery of any product referred to in section 1 of this Act, and intended for sale, to or with any tank or receptacle containing any product other than the one described on the label, tag or sign attached or affixed to such pump, container or other device. (b) It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, in making any sale, to pump, draw, furnish, or deliver, or to cause or permit to be pumped, drawn, furnished or delivered, by means of, or through, any pump or other device, any product other than the one described on the label, tag or sign attached or affixed to such pump or other device.

[**Sec. 7045L.**] **Section 12. Powers of High Sheriff, Chief of Police, Sheriffs, Deputies and Police Officers.** (a) The high sheriff, chief of police of the city and county of Honolulu, the sheriffs of each county and city and county of this Territory, their respective deputies and assistants, and any police officer acting under any of them, shall have the power, and hereby are severally authorized to make any and all examinations of the records, stocks, facilities and equipment of dealers, sub-dealers, brokers and service stations, and to inspect the petroleum products in this Act referred to, and to make such other investigations as he may deem necessary in carrying out the provisions of this Act.

(b) Sampling and analysis. The said high sheriff, chief of police, and sheriffs, or their duly authorized agents, the policemen of any county or city and county of this Territory, are hereby severally authorized and empowered to take such sample, or samples, as may be necessary of any of the products specified in section 1 hereof, kept or stored for the purpose of sale within the Territory of Hawaii, and to transmit the same, and to submit the same for analysis and test in such containers and accompanied by such statements as may be prescribed by the said high sheriff, chief of police and sheriffs;

Provided, however, that if the owner or person in possession of such product shall at the time of said taking, demand payment for the product so taken, then said person taking such sample shall pay therefor the reasonable market price thereof. It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, to refuse to permit any

person authorized by this section to take such sample, or samples, or to prevent, or to attempt to prevent, the taking of such sample or samples.

[**Sec. 7045M.**] Section 13. **Seals.** (a) The said high sheriff, chief of police and sheriffs, or their duly authorized agents, and any person now or hereafter authorized or empowered by law, to inspect the products herein referred to, are each hereby authorized and empowered to close and seal outlets and inlets of any unlabeled or mislabeled receptacles, containers, pumps or storage tanks connected thereto, containing any product which is sold, offered for sale, stored, or delivered as, or which is, any product specifically mentioned, defined or described in section 1 of this Act, and to post in a conspicuous place on the premises, where such receptacle, container, pump, or storage tank connected thereto has been sealed, a notice stating that such action of sealing has been taken in accordance with the provisions of this Act, and giving warning that it is unlawful to break, mutilate or destroy the seal or seals thereof, under penalty as hereinafter provided.

(b) Upon at least twenty-four (24) hours' written notice from the owner, manager or operator, whose container, receptacle, pump or storage tank has been sealed, to the sheriff of the county or city and county in which it is located, stating that the contents of such container, receptacle, pump or storage tank will be removed or that such container, receptacle, pump or storage tank or inlet end of the fill-pipe thereof will be properly labeled as in this Act provided, at a specified time, between the hours of nine a. m., and four p. m., of a day specified in said notice, other than a holiday, it shall thereupon be the duty of such official, or his duly authorized agents, at the time specified, to break said seal or seals for the purpose of permitting the removal by such manager, owner or operator, of the contents of such container, receptacle, pump or storage tank connected thereto, or the use thereof after proper labeling of the same, provided that such removal of contents or proper labeling of the container, receptacle, pump, storage tank or inlet end of the fill-pipe thereof, as the case may be, shall be made at the time specified and in the presence of the official removing such seal. If for any reason the contents are not then removed, or the container, receptacle, pump, storage tank or inlet end of the fill-pipe thereof, is not properly labeled, then such container, receptacle, pump or storage tank connected thereto and the inlet end of the fill-pipe of such storage tank, shall be again sealed as hereinbefore provided and the contents may not thereafter be removed or the container, receptacle, pump or storage tank connected thereto or inlet end of the fill-pipe thereof, be again used, except upon the giving of a new notice and proper labeling. Upon removal of such contents or proper labeling as hereinabove provided, the notice previously

posted shall be removed and said container, receptacle, pump or storage tank may thereafter be restored to lawful use. No container, receptacle, pump or storage tank connected thereto, or the inlet end of the fill-pipe of such storage tank, shall however, be relabeled by such owner, manager or operator, whether under the provisions of this section or otherwise, without first removing from such container, receptacle, pump or storage tank connected thereto, or the inlet end of the fill-pipe thereof, any and all distinctive colors, brands, trade-marks, or trade names thereon of any manufacturer, refiner, producer, distributor or marketer, indicative of any product not actually contained therein and sold therefrom.

(c) Seals must not be destroyed. It shall be unlawful for any person, firm, association or corporation, or any member, officer, agent or employee thereof, other than the sheriffs or their agents mentioned in this Act, to break, mutilate or destroy any seal or seals placed upon a container, receptacle, pump or storage tank connected thereto, or any other storage tank, when placed thereon as provided by this Act, or to cover, deface or remove the notice of sealing hereinabove provided.

[**Sec. 7045N.**] **Section 14. Violation a Misdemeanor.** Any person, firm, association or corporation, or any member, officer, agent or employee thereof, who violates any of the provisions of this Act shall be guilty of a misdemeanor, and upon conviction thereof, shall be punishable by a fine of not more than five hundred dollars, or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment. Each such person, firm, association or corporation, or any member, officer, agent or employee thereof, shall be deemed guilty of a separate offense, for each day during any portion of which any violation of any provision of this Act is committed, continued or permitted by such person, firm, association or corporation, and shall be punishable therefor as provided in this Act.

[**Sec. 7045O.**] **Section 15. Duties of Sheriffs.** It shall be the duty of the sheriffs of the counties and city and county to enforce the provisions of this Act, and to appoint and employ such inspectors as may be necessary therefor.

[**Sec. 7045P.**] **Section 16. Constitutionality.** If any section, sub-section, sentence, clause or phrase of this Act is for any reason held to be unconstitutional, such decisions shall not affect the validity of the remaining portions of this Act. The legislature hereby declares that it would have passed this Act and each section, sub-section, sentence, clause and phrase thereof, irrespective of the fact that any one or more of the other sections, sub-sections, sentences, clauses or phrases be declared unconstitutional.

[Sec. 7045Q.] Section 17. **Repeals.** All acts and parts of acts in conflict with the provisions of this Act are hereby repealed.

[Sec. 7045R.] Section 18. **Effective Date.** This Act shall take effect upon its approval.

(Approved May 3, 1937.) **H.B. 132, Act 127.**

CHAPTER 232. INTEREST AND USURY.

[D-150] An Act to Amend Section 7055 of the Revised Laws of Hawaii 1935, Relating to Usury and the Penalties Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 7055 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 7055. Usury; penalty. Except as otherwise permitted by law, any person who directly or indirectly receives any interest, discount or consideration for or upon the loan or forbearance to enforce the payment of money, goods or things in action, at a rate greater than one per centum per month or who, by any method or device whatsoever, receives or arranges for the receipt of interest, increase or profit at a greater rate than one per centum per month on any loan made by him shall be guilty of usury and shall be punished by a fine not exceeding two hundred and fifty dollars, or by imprisonment for a term not exceeding one year, or by both fine and imprisonment. The rate of one per centum per month shall cover all commissions, fees, charges, interest, increase and profit of every character whatsoever." [L. 1905, c. 38, s. 1; am. L. 1933, c. 72, s. 1; R. L. 1935, s. 7055; am. L. 1937, c. 222, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved May 15, 1937.) **S.B. 400, Act 222.**

CHAPTER 232A. SMALL LOAN ACT.

[D-151] An Act to Amend Title XXV of the Revised Laws of Hawaii 1935, by Adding Thereto a New Chapter to be Numbered and Known as Chapter 232-A, and Thirty-one New Sections to be Numbered Sections 7058, 7058-A, 7058-B, 7058-C, 7058-D, 7058-E, 7058-F, 7058-G, 7058-H, 7058-I, 7058-J, 7058-K, 7058-L, 7058-M, 7058-N, 7058-O, 7058-P, 7058-Q, 7058-R, 7058-S, 7058-T, 7058-U, 7058-V, 7058-W, 7058-X, 7058-Y, 7058-Z, 7058-AA, 7058-BB, 7058-CC, 7058-DD, and 7058-EE, to Define, License and Regulate the Business of Making Loans or Advancements to the Amount or of the Value of \$300.00 or Less, Secured or Unsecured, at a Greater Rate of Interest than One Per Centum (1%) per Month; Prescribing the Rates of Interest and Charges Therefor and Penalties for the Violation Thereof; Regulating the Assignment of Wages or Salaries Earned or to be Earned, When Given as Security for any Such Loan or as Consideration for and Payment of \$300.00 or Less, Providing for the Administration of This Act and for the Issuance of Rules and Regulations Therefor, Authorizing the Making of Examinations and Investigations and the Publication of Reports Thereof, and Providing for a Review of Orders and Decisions of the Treasurer or the Deputy Bank Examiner of the Territory of Hawaii under this Act.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Title XXV of the Revised Laws of Hawaii 1935, is hereby amended by adding thereto a new chapter to be numbered and known as Chapter 232-A, and thirty-one new sections to be numbered sections 7058, 7058-A, 7058-B, 7058-C, 7058-D, 7058-E, 7058-F, 7058-G, 7058-H, 7058-I, 7058-J, 7058-K, 7058-L, 7058-M, 7058-N, 7058-O, 7058-P, 7058-Q, 7058-R, 7058-S, 7058-T, 7058-U, 7058-V, 7058-W, 7058-X, 7058-Y, 7058-Z, 7058-AA, 7058-BB, 7058-CC, 7058-DD and 7058-EE, and to read as follows:

“Sec. 7058. Small loans; who to make. No person, co-partnership, association or corporation shall engage in the business of making loans of money, credit, goods, or things in action in the amount or of the value of three hundred dollars (\$300.00) or less and charge, contract for or receive on any such loan a greater rate of interest, discount or consideration therefor than one per centum (1%) per month except as authorized by this chapter and without first obtaining a license from the treasurer of the Territory of Hawaii, hereinafter called the ‘treasurer’.

“Sec. 7058-A. Application for license; fees: assets. Application for such license shall be in writing, under oath, and in the form prescribed by the treasurer, and shall contain the name and address (both of the residence and place of business) of the applicant, and if the applicant is a co-partnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality with street and number, if any, where the business is to be conducted and such further information as the treasurer may require. Such applicant at the time of making such application shall pay to the treasurer the sum of twenty-five dollars (\$25.00) as a fee for investigating the application and the additional sum of fifty dollars (\$50.00) as an annual license fee for a period beginning on July 1st and terminating on the next June 30th; provided, that if the application is filed after December 31st in any such year such additional sum shall be only twenty-five dollars (\$25.00).

Every applicant, except an individual loaning his own money, shall also prove, in form satisfactory to the treasurer, that he or it has available for the operation of such business at the location specified in the application, liquid assets of at least fifteen thousand dollars (\$15,000.00).

“Sec. 7058-B. Bond; amount; conditions. The applicant shall also at the same time file with the treasurer a bond to be approved by him in which the applicant shall be the obligor, in the sum of one thousand dollars (\$1,000.00) with one or more sureties whose liability as such sureties need not exceed the said sum in the aggregate. The said bond shall run to the Territory for the use of the Territory and of any person or persons who may have cause of action against the obligor of said bond under the provisions of this chapter. Such bond shall be conditioned that said obligor will faithfully conform to and abide by the provisions of this chapter and of all rules and regulations lawfully made by the treasurer hereunder, and will pay to the Territory and to any such person or persons any and all moneys that may become due or owing to the Territory or to such person or persons from said obligor under and by virtue of the provisions of this chapter.

“Sec. 7058-C. Investigations; approval or disapproval; license. Upon the filing of such application and the payment of such fees and the approval of such bond, if the treasurer or the deputy bank examiner of the Territory appointed under section 2220, to whom such application may be referred for such purpose, shall find upon investigation: (a) that the financial responsibility, experience, character and general fitness of the applicant, and of the members thereof if the applicant be a co-partnership or association, and of the officers and directors thereof if the applicant be a corporation,

are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly and efficiently within the purpose of this chapter, and (b) that allowing such applicant to engage in business will promote the convenience and advantage of the locality or community in which the business of the applicant is to be conducted, and (c) that the applicant has available for the operation of such business at the specified location liquid assets of at least fifteen thousand dollars (\$15,000.00), and (d) that the applicant has the residence required by section 7058-D, or, if not, has fully complied with said section, and (e) that this chapter has been fully complied with (the foregoing facts being conditions precedent to the issuance of a license under this chapter), the treasurer shall thereupon issue and deliver a license to the applicant to make loans in accordance with the provisions of this chapter at the location specified in the said application; which license shall remain in full force and effect until it is surrendered by the licensee or revoked or suspended as hereinafter provided; if the treasurer or the deputy bank examiner shall not so find, the treasurer shall not issue such license and he shall notify the applicant of the denial and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the twenty-five dollars (\$25.00) investigation fee to cover the costs of investigating the application. The treasurer or the deputy bank examiner shall approve or deny every application for license hereunder within sixty (60) days from the filing thereof with the said fees and the said approved bond, and, if subject thereto, the documents mentioned in section 7058-D.

No application shall be denied except after the applicant shall have had a notice of hearing on said application and an opportunity to be heard at such hearing thereon.

If the application is denied, the treasurer or the deputy bank examiner shall within twenty (20) days thereafter, prepare, file and keep on file in the treasurer's office a written decision containing findings with respect thereto and the reasons supporting the denial, and forthwith serve upon the applicant, unless he be an individual proposing to loan his own money, a copy thereof, which decision and findings may be reviewed in the manner provided in section 7058-Z.

"Sec. 7058-D. Residence; Foreign corporations. No such license shall be issued to a person who has not resided within this Territory for a period of at least one year immediately preceding the issuance of such license, or to a partnership or association which has no partner or member who has resided within this Territory for a period of at least one year immediately preceding the issuance of such license, or to a corporation which is not organized under the laws of this Territory, unless such person, partnership,

association or corporation shall appoint, in writing, the treasurer of the Territory, and his successors in office or any official who shall hereafter be charged with the administration of this chapter, as attorney-in-fact upon whom all lawful process against such person, partnership, association or corporation resided or existed in this Territory; and said writing or power of attorney shall stipulate and agree on the part of such person, partnership, association or corporation making the same, that any lawful process against such person, partnership, association or corporation, which is served on such treasurer shall be of the same legal force and validity as if served on such person, partnership, association or corporation. A copy of such written appointment duly certified and authenticated, shall be filed in the office of the treasurer of the Territory of Hawaii and a copy thereof certified by him shall be sufficient evidence. This appointment shall be continued while any liability remains outstanding in this Territory against any such person, partnership, association or corporation. Service on such attorney-in-fact shall be deemed sufficient service upon any such person, partnership, association or corporation. When summons is served upon the treasurer as attorney-in-fact for such person, partnership, association or corporation, he shall immediately notify such person, partnership, association or corporation, enclosing said summons by registered mail giving the hour and day of such service.

“Sec. 7058-E. License; content; display. Such license shall state the address at which the business is to be conducted and shall state fully the name of the licensee, and if the licensee is a co-partnership or association, the names of the members thereof, and if a corporation, the date and place of its incorporation. Such license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

“Sec. 7058-F. Additional bond; assets; amount. If the treasurer or the deputy bank examiner shall find at any time that the bond is insecure or exhausted or otherwise doubtful, an additional bond to be approved by the treasurer, with one or more sureties, and of the character specified in section 7058-B of this chapter, in the sum of not more than one thousand dollars (\$1000.00), shall be filed by the licensee within ten (10) days after written demand upon the licensee by the treasurer or the deputy bank examiner.

Every licensee, except an individual proposing to loan his own money, shall maintain at all times assets of at least fifteen thousand dollars (\$15,000.00) either in liquid form available for the operation of or actually used in the conduct of such business at the location specified in the license.

If more than one license is issued under section 7058-G the licensee, if not an individual proposing to loan his own money,

shall maintain at all times at least fifteen thousand dollars (\$15,000.00) of such assets for each licensed place of business.

"Sec. 7058-G. Places of business; number. Not more than one place of business shall be maintained under the same license, but the treasurer may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license.

Whenever a licensee shall change his place of business to another location within the same county or city and county, he shall at once give written notice thereof to the treasurer, who shall attach to the license in writing his record of the change and the date thereof, which shall be authority for the operation of such business under such license at such new location. No change in the place of business of a licensee to a location outside of the original county or city and county shall be permitted under the same license.

"Sec. 7058-H. Annual license fee; bond. Every licensee shall, on or before the twentieth (20th) day of June, pay to the treasurer the sum of fifty dollars (\$50.00) as an annual license fee for the period commencing on July 1st, next succeeding, and ending on June 30th of the next calendar year, and shall at the same time file with the treasurer a bond in the same amount and of the same character as required by section 7058-B.

"Sec. 7058-I. License; revocation; suspension; surrender. The deputy bank examiner shall, upon ten (10) days' notice to the licensee stating the contemplated action and in general the grounds therefor, and upon reasonable opportunity to be heard, revoke any license issued hereunder if he shall find that: (a) the licensee has failed to pay the annual license fee or to maintain in effect the bond or bonds required under the provisions of this chapter or to comply with any demand, ruling, or requirement of the deputy bank examiner lawfully made pursuant to and within the authority of this chapter; or that (b) the licensee has violated any provision of this chapter or any rule or regulation lawfully made by the deputy bank examiner under and within the authority of this chapter; or that (c) any fact or condition exists which, if it had existed at the time of the original application for such license, clearly would have warranted the treasurer in refusing originally to issue such license.

The deputy bank examiner may, without notice or hearing suspend any license for a period not exceeding thirty (30) days, pending investigation.

The deputy bank examiner may revoke or suspend only the particular license with respect to which grounds for revocation or suspension may occur or exist, or, if he shall find that such grounds for revocation or suspension are of general application to all offices, or to more than one office, operated by such licensee, he shall

revoke or suspend all of the licenses issued to said licensee or such licenses as such grounds apply to, as the case may be.

Any licensee may surrender any license by delivering to the treasurer written notice that he thereby surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender, or entitle such licensee to a return of any part of the annual license fee or affect his bond or bonds.

No revocation or suspension or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.

Every license issued hereunder shall remain in force and effect until the same shall have been surrendered, revoked or suspended in accordance with the provisions of this chapter, but the treasurer shall have authority on his own initiative to reinstate suspended licenses or to issue new licenses to a licensee whose license or licenses shall have been revoked if no fact or condition then exists which clearly would have warranted the treasurer in refusing originally to issue such license under this chapter.

Whenever the deputy bank examiner shall revoke or suspend a license issued pursuant to this chapter, he shall forthwith file in the office of the treasurer a written order to that effect and findings with respect thereto containing the reasons supporting the revocation or suspension, and forthwith serve upon the licensee a copy thereof, which order may be reviewed in the manner provided in section 7058-Z.

"Sec. 7058-J. Examinations; powers of treasurer or deputy bank examiner. For the purpose of discovering violations of this chapter or securing information lawfully required hereunder, the deputy bank examiner may at any time, either personally or by a person or persons duly designated by him, investigate the loans and business and examine the books, accounts, records and files used therein, of every licensee and of every person, co-partnership, association and corporation who, or which, shall be engaged in the business described in section 7058 of this chapter, whether such person, co-partnership, association or corporation shall act or claim to act as principal or agent, or under or without the authority of this chapter. For that purpose, the deputy bank examiner and his duly designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes and vaults of all such persons, co-partnerships, associations and corporations. The deputy bank examiner and all persons duly designated by him shall have authority to require the attendance of and to examine under oath all persons whomsoever whose testimony he may require relative to such loans or such business, and in such

cases the deputy bank examiner shall have the power to administer oaths to all such persons called as witnesses.

The deputy bank examiner shall make such an examination of the affairs, business, office and records of each licensee at least once each year.

"Sec. 7058-K. Books of account; reports. The licensee shall keep and use in his business such books, accounts and records as will enable the deputy bank examiner to determine whether such licensee is complying with the provisions of this chapter and with the rules and regulations lawfully made by the deputy bank examiner hereunder. Every licensee shall preserve such books, accounts and records, including cards used in the card system, if any, for at least two (2) years after making the final entry on any loan recorded therein.

Each licensee shall annually on or before the thirty-first (31st) day of January and July of each year, file a report with the deputy bank examiner, giving such relevant information as the deputy bank examiner reasonably may require showing the business and operations of the licensee as of June 30 and December 31, and the results from operations for the six months' period ended on the last mentioned dates. Such report shall be made under oath and shall be in the form prescribed by the deputy bank examiner, who shall make and publish annually an analysis and recapitulation of such reports. Each licensee shall furnish such other reports from time to time as the deputy bank examiner may require.

"Sec. 7058-L. Publication of condition. Each licensee shall publish in a newspaper printed in the English language and of general circulation in the county or city and county in which the licensee's office or offices are located a statement of condition for each licensed office as of the close of business on June 30 of each year in the form prescribed by the deputy bank examiner. Such publication shall be made within thirty (30) days after said June 30.

"Sec. 7058-M. Restrictions; conduct of business. No licensee or other person, co-partnership, association or corporation shall advertise, print, display, publish, distribute or broadcast or cause or permit to be advertised, printed, displayed, published, distributed or broadcast, in any manner whatsoever any statement or representation with regard to the rates, terms or conditions for the lending of money, credit, goods or things in action in the amount or of the value of three hundred dollars (\$300.00) or less, which is false, misleading or deceptive. The deputy bank examiner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers. The treasurer or deputy bank examiner shall order any licensee to desist from

any conduct which he shall find to be a violation of the foregoing provisions.

No licensee shall take a lien upon real estate as security for any loan made under this chapter, or take any collateral secured by a lien upon real estate as security therefor, except such lien as is created by law upon the recording of a judgment.

No licensee shall conduct the business of making loans under this chapter within any office, room or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the treasurer or deputy bank examiner upon his finding that the character of such other business is such that the granting of such authority would not facilitate evasions of this chapter or of the rules and regulations lawfully made hereunder.

No licensee shall transact such business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license.

No licensee shall take any confession of judgment, or any power of attorney. No licensee shall take any note, promise to pay, or security that does not accurately disclose the actual amount of the loan, the time for which it is made and the agreed rate of interest, nor any instrument in which blanks are left to be filled in after execution.

“Sec. 7058-N. Interest and charges; maximum rate; when void.

Every licensee hereunder may lend any sum of money not to exceed three hundred dollars (\$300.00) in amount and may charge, contract for and receive thereon interest at a rate not exceeding three and one-half per centum ($3\frac{1}{2}\%$) per month on that part of the unpaid principal balance of any loan not in excess of one hundred dollars (\$100.00) and two and one-half per centum ($2\frac{1}{2}\%$) per month on any remainder of such unpaid principal balance. No licensee shall induce or permit any borrower to split up or divide any loan. No licensee shall induce or permit any person, nor any husband and wife jointly or severally, to become obligated, directly or contingently, or both, under more than one contract of loan at the same time, for the purpose or with the result of obtaining a higher rate of interest than would otherwise be permitted by this section.

Interest shall not be paid, deducted or received in advance. Interest shall be computed and paid only on unpaid principal balances and shall not be compounded. The maximum interest permitted on loans made under this chapter shall be computed on the basis of the number of days actually elapsed and for the purpose of such computations a month shall be any period of thirty (30) consecutive days.

In addition to the interest herein provided for, no further or other charges or amount whatsoever for any examination, service, brokerage, commission, expense, fee or bonus or other thing or otherwise shall be directly or indirectly charged, contracted for or received. If any interest, consideration or charges in excess of those permitted by this chapter are charged, contracted for or received, the contract of loan shall be void and the licensee shall have no right to collect or receive any principal, interest or charges whatsoever.

"Sec. 7058-O. Making and payment of loans. Every licensee shall :

Deliver to the borrower at the time any loan is made a statement (upon which there shall be printed a copy of section 7058-N of this chapter) in the English language showing in clear and distinct terms the amount and date of the loan and of its maturity, the nature of the security, if any, for the loan, the name and address of the borrower and of the licensee, and the agreed rate of charge ;

Give to the borrower a plain and complete receipt for all payments made on account of any such loan at the time such payments are made, specifying the amount applied to interest and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of such loan ;

Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply such payment first to all interest in full at the agreed rate up to the date of such payment ;

Forthwith, upon repayment of the loan in full, mark indelibly every obligation and security signed or executed by the borrower with the word "Paid" or "Cancelled", and release any mortgage, restore any pledge, cancel and return any note, and cancel and return any assignment given to the licensee by the borrower ;

Display prominently in each licensed place of business a full and accurate schedule, to be approved by the treasurer of the charges to be made and the method of computing the same ;

Include in all advertising a statement of the rate of charges to be made, expressed on an annual basis, as nearly as such rates will permit.

"Sec. 7058-P. Prohibitions. No licensee shall directly or indirectly charge, contract for, or receive any interest, discount or consideration greater than one per centum (1%) per month upon the loan, use or forbearance of money, goods or things in action, or upon the loan, use or sale of credit, of the amount or value of more than three hundred dollars (\$300.00). The foregoing prohibition shall also apply to any licensee who permits any person, as borrower or as endorser, guarantor or surety for any borrower, or

otherwise, to owe directly or contingently, or both, to the licensee at any time a sum of more than three hundred dollars (\$300.00) for principal.

No licensee shall pledge or hypothecate any note or security given by any borrower, except with a bank authorized to transact business in the Territory under an agreement permitting the treasurer or the deputy bank examiner to examine the papers so pledged or hypothecated. No contract for a loan shall be entered into for a period longer than twenty (20) months if repayable in equal monthly installments of principal or twelve (12) months if repayable in any other manner.

“Sec. 7058-Q. Wage assignments. The payment of three hundred dollars (\$300.00) or less in money, credit, goods or things in action, as consideration for any sale or assignment of, or order for, the payment of wages, salary, commissions or other compensation for services, whether earned or to be earned, shall for the purposes of regulation under this chapter be deemed a loan secured by such assignment, and the amount by which such assigned compensation exceeds the amount of such consideration actually paid shall for the purpose of regulation under this chapter be deemed interest or charges upon such loan from the date of such payment to the date such compensation is payable. Such transaction shall be governed by and subject to the provisions of this chapter.

“Sec. 7058-R. Assignments; validity; payment. No assignment of or order for payment of any salary, wages, commissions or other compensation for services, earned or to be earned, given to secure any loan made by any licensee under this chapter, shall be valid unless such assignment or order, or any chattel mortgage or other lien on household furniture then in the possession and use of the borrower is in writing, signed in person by the borrower, nor if the borrower is married unless it is signed in person by both husband and wife, provided that written assent of a spouse shall not be required when husband and wife have been living separate and apart for a period of at least five months prior to the making of such assignment, order, mortgage or lien.

“Sec. 7058-S. Interest; prohibited rates; applications; what cannot be enforced. No person, co-partnership, association or corporation, except as authorized by this chapter, shall directly or indirectly charge, contract for or receive any interest, discount or consideration greater than one per centum (1%) per month upon the loan, use, or forbearance of money, goods or things in action, or upon the loan, use or sale of credit of the amount or value of three hundred dollars (\$300.00) or less.

The foregoing prohibition shall apply to any person, co-partnership, association or corporation who or which, by any devise, subterfuge or pretense whatsoever shall charge, contract for or receive greater interest, consideration or charges than is authorized by this chapter for any such loan, use or forbearance of money, goods or things in action or for any such loan, use or sale of credit.

No loan of the amount or value of three hundred dollars (\$300.00) or less for which a greater rate of interest, consideration or charges than is permitted by this chapter has been charged, contracted for or received, wherever made, shall be enforced in this Territory and every person in anywise participating therein in this Territory shall be subject to the provisions of this chapter, provided that the foregoing shall not apply to loans legally made in any state or other Territory which then has in effect a regulatory small loan law similar in principle to this chapter.

“Sec. 7058-T. Violations; penalties. Any person, co-partnership, association or corporation and the several members, officers, directors, agents and employees thereof, who shall violate or participate in the violation of any of the provisions of sections 7058, 7058-K, 7058-L, 7058-M, 7058-N, 7058-O or 7058-S of this chapter, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punishable by a fine of not more than five hundred dollars (\$500.00) or by imprisonment for not more than three months, or by both fine and imprisonment.

Any contract of loan not invalid for any other reason, in the making or collection of which any act shall have been done which constitutes a misdemeanor under this section, shall be void and the lender shall have no right to collect or receive any principal, interest or charges whatsoever.

“Sec. 7058-U. False swearing; penalty. Any person, having taken an oath in any proceedings or matter where an oath is required by or has been administered under the provisions of this chapter, who shall wilfully, corruptly and falsely state, orally or in writing, some material fact, or shall wilfully and corruptly procure another to make any such statement as aforesaid, shall be deemed guilty of perjury or subornation of perjury (as the case may be), and, upon conviction, shall be punished as in section 6114 provided.

“Sec. 7058-V. Law not applicable; to whom. This chapter shall not apply to any person, co-partnership, association or corporation doing business under and as permitted by any law of this Territory or of the United States relating to banks, saving banks, trust companies, building and loan associations, credit unions, licensed pawn-brokers or industrial loan and investment companies.

"Sec. 7058-W. Powers to subpoena; circuit judge to enforce.

The treasurer and the deputy bank examiner shall each be vested with the power to subpoena and examine witnesses under oath relating to any matter mentioned in sections 7058-C, 7058-D, 7058-E, 7058-I and 7058-J. For the purposes of this chapter they shall each have the power to administer oaths. A circuit judge of the circuit in which any hearing or examination is held shall have power to enforce by proper proceedings the attendance and testimony of witnesses.

"Sec. 7058-X. Refusal to testify. Whenever a witness summoned or appearing before the deputy bank examiner or any person or persons duly designated by him, as in section 7058-J provided, fails or refuses to testify or to produce any books, papers or other documents relating to any matter under inquiry before the deputy bank examiner or any such person or persons, the deputy bank examiner shall report the matter in writing to any circuit judge of the circuit in which the hearing or examination is held, and the witness shall be cited to appear before the circuit judge and be required to testify or to produce such books, papers or other documents. Should the witness refuse to testify or to produce such books, papers or other documents when so cited by the said circuit judge he shall be cited to appear before the said judge and be required to show cause why he should not be punished for contempt of court, as provided in chapter 172, and be subject to all penalties in said chapter contained.

"Sec. 7058-Y. Regulations, rulings, findings, etc. The deputy bank examiner is authorized and empowered to make and enforce such general rules and regulations and specific directions, orders, decisions and findings as may be necessary for the execution and enforcement of the provisions of this chapter and the purposes sought to be attained herein, in addition thereto and not inconsistent therewith. All such rules, regulations, directions, orders, decisions and findings shall be filed and entered by the deputy bank examiner in the office of the treasurer in an indexed, permanent book or record, with the effective date thereof suitably indicated, and such book or record shall be a public document. All rules and regulations, which are of general character, shall be approved by the governor and promulgated according to law. Copies of all findings, orders and decisions shall be mailed to the parties affected thereby by United States mail, within five (5) days of such filing, except as otherwise provided herein.

"Sec. 7058-Z. Notices; appeals. Except as otherwise provided for in this chapter, whenever the treasurer or deputy bank examiner is required herein to give notice to any applicant or licensee, such requirement shall be complied with if, within the time fixed

herein, such notice shall be enclosed in an envelope plainly addressed to such applicant or licensee, as the case may be, at the address set forth in the application or license, as the case may be, United States postage fully prepaid, and deposited, registered, in the United States mail.

Within thirty (30) days after notice is given, as provided for herein, of the entry of any final order or decision denying an application for or revoking or suspending a license or requiring the filing of an additional bond, any person, co-partnership, association or corporation deeming himself or itself aggrieved by such order or decision, may appeal from such order or decision to a circuit judge of the First Judicial Circuit of the Territory of Hawaii, sitting at chambers, for the purpose of having the reasonableness or validity of the order or decision inquired into and determined. The party taking such an appeal shall file a written notice of such intention with the treasurer within said thirty (30) days. The appellant, upon the filing of such notice of intention to appeal, shall, within ten (10) days thereafter, file with the clerk of the said court: (1) a copy of said notice of intention to appeal, with an affidavit showing service thereof upon the treasurer, within the time provided herein, (2) a certified copy of the order or decision appealed from, and (3) a transcript of the testimony, together with exhibits, if any, taken at any hearing or proceeding upon which said order or decision is based.

The court shall have authority to extend the time for filing the transcript and exhibits for good cause shown. Upon the filing of the aforesaid documents with the said clerk, as aforesaid, the said court shall have jurisdiction over said appeal and the same shall be entered upon the records of said court and shall be heard by the judge, at chambers, without formal pleading, but otherwise according to the manner of trial of suits before a circuit judge, sitting at chambers. Such appeal shall not of itself operate as a supersedeas or as a stay of the order or decision appealed from, except upon the express order of the circuit judge made after a hearing, at which the treasurer shall have the opportunity of being heard, upon a written motion therefor, and upon such conditions as the circuit judge may deem proper. The circuit judge may affirm, vacate or modify the order or decision appealed from. The court may call witnesses or receive affidavits in reference to any controverted question of fact relating to the procedure before the treasurer or deputy bank examiner. Appeals from all final decisions or orders made by the said circuit judge, upon review of any order or decision of the treasurer, shall lie to the supreme court of the Territory of Hawaii in the manner provided in chapter 100. Such appeal shall not of itself operate as a stay of any order or decision appealed from, but the supreme court may stay the same after a hear-

ing, upon a motion therefor, upon such conditions as it may deem proper.

“Sec. 7058-AA. Future amendments or repeals. This chapter or any part thereof may be modified, amended or repealed so as to effect a cancellation or alteration of any license or right of a licensee hereunder, provided that such cancellation or alteration shall not impair or affect the obligation of any pre-existing lawful contract between any licensee and any borrower.

“Sec. 7058-BB. Pre-Existing licenses. Any person, co-partnership, association or corporation having a license under chapter 233 of the Revised Laws of Hawaii 1935, in force when this chapter becomes effective, shall notwithstanding the repeal of the said chapter 233, be deemed to have a license under this chapter for a period expiring six (6) months after the said effective date, if not sooner revoked. Any such license so continued in effect under the provisions of this chapter shall be subject to revocation during such six (6) months' period as provided in section 7058-I of this chapter except that it may not be revoked during such six (6) months' period upon the ground or grounds that such licensee has not paid the annual license fee or upon the ground that the licensee has not the minimum amount of assets required in section 7058-F of this chapter, or upon the ground that the convenience and advantage of such community will not be promoted by the operation therein of such business.

Nothing herein contained shall be so construed as to impair or affect the obligation of any contract of loan between any licensee under said chapter 233 and any borrower which was lawfully entered into prior to the effective date hereof.

“Sec. 7058-CC. Deputy bank examiner. The term 'deputy bank examiner', as used in this chapter, shall mean the deputy bank examiner of the Territory of Hawaii appointed under and pursuant to section 2220.

“Sec. 7058-DD. Short title. This chapter shall be known and may be cited as the 'Small Loan Act'.

“Sec. 7058-EE. If any clause, sentence, section, provision or part of this chapter shall be adjudged to be unconstitutional or invalid for any reason by any court of competent jurisdiction, such judgment shall not impair, affect or invalidate the remainder of this chapter, which shall remain in full force and effect thereafter. The legislature hereby declares that it would have approved this chapter and each section, subsection, sentence or clause thereof, irrespective of the fact that any one or more of the sections, sub-

sections, sentences or clauses be declared unconstitutional or invalid."

Section 2. This Act shall take effect on July 1, 1937.

(Approved May 17, 1937.) S.B. 245, Act 232.

CHAPTER 242A. FAIR TRADE.

[D-152] An Act to Amend Title XXV of the Revised Laws of Hawaii 1935, by Adding a New Chapter Thereto to be Known as Chapter 242-A, Relating to the Regulation of Fair Trade by Giving Protection to Trade Mark Owners, Producers and the General Public, Against Injurious and Uneconomic Practices in the Distribution of Certain Commodities.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Title XXV of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new chapter to be known as chapter 242-A to read as follows:

"CHAPTER 242-A. FAIR TRADE.

"Sec. 7459-A. Definitions. The following terms, as used in this chapter, are hereby defined as follows:

- (a) 'Commodity' means any subject of commerce;
- (b) 'Producer' means any grower, baker, maker, manufacturer, bottler, packer, converter, processor or publisher;
- (c) 'Wholesaler' means any person selling a commodity other than a producer or retailer;
- (d) 'Retailer' means any person selling a commodity to consumers for use;
- (e) 'Person' means an individual, a corporation, a partnership, an association, a joint stock company, a business trust or any unincorporated organization.

"Sec. 7459-B. Contract of sale or resale; validity. No contract relating to the sale or resale of a commodity which bears, or the label or container of which bears, the trade mark, brand, or name of the producer or distributor of such commodity and which commodity is in fair and open competition with commodities of the same general class produced or distributed by others shall be deemed in violation of any law of the Territory by reason of any of the following provisions which may be contained in such contract:

(a) That the buyer will not resell such commodity at less than the minimum price stipulated by the seller ;

(b) That the buyer will require of any dealer to whom he may resell such commodity an agreement that he will not, in turn, resell at less than the minimum price stipulated by the seller ;

(c) That the seller will not sell such commodity :

(1) To any wholesaler, unless such wholesaler will agree not to resell the same to any retailer unless the retailer will in turn agree not to resell the same except to consumers for use and at not less than the stipulated minimum price, and such wholesaler will likewise agree not to resell the same to any other wholesaler unless such other wholesaler will make the same agreement with any wholesaler or retailer to whom he may resell ; or

(2) To any retailer, unless the retailer will agree not to resell the same except to consumers for use and at not less than the stipulated minimum price.

“Sec. 7459-C. Unfair trade. For the purpose of preventing evasion of the resale price restrictions imposed in respect of any commodity by any contract entered into pursuant to the provisions of this chapter (except to the extent authorized by the said contract) :

(a) The offering or giving of any article of value in connection with the sale of such commodity ;

(b) The offering or the making of any concession of any kind whatsoever (whether by the giving of coupons or otherwise) in connection with any such sale ; or

(c) The sale or offering for sale of such commodity in combination with any other commodity, shall be deemed a violation of such resale price restriction, for which the remedies prescribed by section 7459-F of this chapter shall be available.

“Sec. 7459-D. Owner or authorized distributor to establish price. No minimum resale price shall be established for any commodity, under any contract entered into pursuant to the provisions of this chapter, by any person other than the owner of the trade mark, brand or name used in connection with such commodity or a distributor specifically authorized to establish said price by the owner of such trade mark, brand or name.

“Sec. 7459-E. Exclusion of certain commodities. No contract containing any of the provisions enumerated in section 7459-B of this chapter shall be deemed to preclude the resale of any commodity covered thereby without reference to such contract in the following cases :

(a) In closing out the owners' stock for the bona fide purpose of discontinuing dealing in any such commodity and plain notice

of the fact is given to the public; provided the owner of such stock shall give the producer or distributor of such commodity prompt and reasonable notice in writing of his intention to close out said stock, and an opportunity to purchase such stock at the original invoice price;

(b) When the goods are defaced, altered, second-hand, damaged or deteriorated and plain notice of the fact is given to the public in the advertisement and sale thereof, such notice to be conspicuously displayed in all advertisements and to be affixed to the commodity;

(c) By any officer acting under an order of court.

“Sec. 7459-F. Unfair competition may be actionable. Wilfully and knowingly advertising, offering for sale or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of this chapter, whether the person so advertising offering for sale or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby.

“Sec. 7459-G. Inapplicable to certain contract. This chapter shall not apply to any contract or agreement between or among producers or, except as provided in subdivision (c) of section 7459-B between or among wholesalers, or between or among retailers, as to sale or resale prices.

“Sec. 7459-H. Miscellaneous provisions. If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provisions to other persons or circumstances, shall not be affected thereby.”

Section 2. This Act is to take effect upon its approval.

(Approved May 14, 1937.) **S.B. 413, Act 212.**

**CHAPTER 242B. UNFAIR
PRACTICES ACT.**

[D-153] An Act Relating to Unfair Competition and Discrimination, Making Certain Unfair and Discriminatory Practices Unlawful, Defining the Duties of the Attorney General in Regard Thereto, Declaring Certain Contracts Illegal and Forbidding Recovery Thereon, Providing for Actions to Enjoin Unfair Competition and Discrimination and to Recover Damages Therefor, Making the Violations of the Provisions of this Act a Misdemeanor and Providing Penalties, and Appropriating Funds for the Enforcement Thereof.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 7459AA.] Section 1. **Unlawful practices.** It shall be unlawful for any person, firm, or corporation, doing business in the Territory of Hawaii and engaged in the production, manufacture, distribution or sale of any commodity, or product, or service or output of a service trade, of general use or consumption, or the product or service of any public utility, with the intent to destroy the competition of any regular established dealer in such commodity, product or service, or to prevent the competition of any person, firm, private corporation, or municipal or other public corporation, who or which in good faith, intends and attempts to become such dealer, to discriminate between different sections, communities or cities or portions thereof, or between different locations in such sections, communities, cities or portions thereof in this Territory, by selling or furnishing such commodity, product or service at a lower rate in one section, community or city, or any portion thereof, or in one location in such section, community, or city or any portion thereof, than in another after making allowance for difference, if any, in the grade or quality, quantity and in the actual cost of transportation from the point of production, if a raw product or commodity, or from the point of manufacture, if a manufactured product or commodity, and in the overhead cost. Motion picture films when delivered under a lease to motion picture houses shall not be deemed to be a commodity or product of general use, or consumption, under this Act. This Act shall not be construed to prohibit the meeting in good faith of a competitive rate, or to prevent a reasonable classification of service by public utilities for the purpose of establishing rates. The inhibition hereof against locality discrimination shall embrace any scheme of special rebates, collateral contracts or any device of any nature whereby such discrimination is, in substance or fact, effected in violation of the spirit and intent of this Act.

[**Sec. 7459AB.**] Section 2. **Officers and agents.** Any person who, either as director, officer or agent of any firm or corporation, or as agent of any person, violating the provisions of this Act, assists or aids, directly or indirectly, in such violation shall be responsible therefor equally with the person, firm or corporation for whom or which he acts.

[**Sec. 7459AC.**] Section 3. **Sales at less than cost.** It shall be unlawful for any person, partnership, firm, corporation, joint stock company, or other association engaged in business within this Territory, to sell, offer for sale or advertise for sale any article or product, or service or output of a service trade, at less than the cost thereof to such vendor, or give, offer to give or advertise with the intent to give away any article or product, or service or output of a service trade, for the purpose of injuring competitors and destroying competition, and he or it shall also be guilty of a misdemeanor, and on conviction thereof shall be subject to the penalties set out in section 11 of this Act for any such act.

Definitions. The term "cost" as applied to production is hereby defined as including the cost of raw materials, labor and all overhead expenses of the producer; and as applied to distribution "cost" shall mean the invoice or replacement cost, whichever is lower, of the article or product to the distributor and vendor plus the cost of doing business by said distributor and vendor.

The "cost of doing business" or "overhead expense" is defined as all costs of doing business incurred in the conduct of such business and must include without limitation the following items of expense: labor (including salaries of executives and officers), rent, interest on borrowed capital, depreciation, selling cost, maintenance of equipment, delivery costs, credit losses, all types of licenses, taxes, insurance and advertising.

[**Sec. 7459AD.**] Section 4. **Purchase at forced or bankrupt sales.** In establishing the cost of a given article or product to the distributor and vendor, the invoice cost of said article or product purchased at a forced, bankrupt, closeout sale, or other sale outside of the ordinary channels of trade may not be used as a basis for justifying a price lower than one based upon the replacement cost as of date of said sale of said article or product replaced through the ordinary channels of trade, unless said article or product is kept separate from goods purchased in the ordinary channels of trade and unless said article or product is advertised and sold as merchandise purchased at a forced, bankrupt, closeout sale, or by means other than through the ordinary channels of trade, and said advertising shall state the conditions under

which said goods were so purchased, and the quantity of such merchandise to be sold or offered for sale.

[**Sec. 7459AE.**] Section 5. **Proof of intent. Cost surveys.** In any injunction proceeding against any person as officer, director or agent, it shall be sufficient to allege and prove the unlawful intent of the person, firm or corporation for whom or which he acts. Where a particular trade or industry, of which the person, firm or corporation complained against is a member, has an established cost survey for the locality and vicinity in which the offense is committed, the said cost survey shall be deemed competent evidence to be used in proving the costs of the person, firm or corporation complained against within the provisions of this Act.

[**Sec. 7459AF.**] Section 6. **When sale at less than cost permitted.** The provisions of sections 3, 4 and 5 shall not apply to any sale made:

(a) In closing out in good faith the owner's stock or any part thereof for the purpose of discontinuing his trade in any such stock or commodity, and in the case of the sale of seasonal goods, or to the bona fide sale of perishable goods to prevent loss to the vendor by spoilage or depreciation, provided notice is given to the public thereof;

(b) When the goods are damaged or deteriorated in quality, and notice is given to the public thereof;

(c) By an officer acting under the orders of any court;

(d) In an endeavor made in good faith to meet the legal prices of a competitor as herein defined selling the same article or product, or service or output of a service trade, in the same locality or trade area;

(e) By the government, or any agency thereof, of the United States, the Territory of Hawaii or any county, or by post exchanges or ships' service stores operating under and in accordance with United States army or naval regulations.

Any person, firm or corporation who performs work upon, renovates, alters or improves any personal property belonging to another person, firm or corporation, shall be construed to be a vendor within the meaning of this Act.

[**Sec. 7459AG.**] Section 7. **Rebates, refunds, etc.** The secret payment or allowance of rebates, refunds, commissions, or unearned discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges not extended to all purchasers purchasing upon like terms and conditions, to the injury of a competitor and where such payment or allowance tends to destroy competition, is an unfair trade practice and any person, firm, partnership, corporation, or

association resorting to such trade practice shall be deemed guilty of a misdemeanor and on conviction thereof shall be subject to the penalties set out in section 11 of this Act.

[**Sec. 7459AH.**] **Section 8. Duty of attorney general to prosecute.** Upon the third violation of any of the provisions of sections 1 to 7, inclusive, of this Act by any corporation, it shall be the duty of the attorney general to institute proper suits or quo warranto proceedings in any court of competent jurisdiction for the forfeiture of its charter, rights, franchises or privileges and powers exercised by such corporation, and to permanently enjoin it from transacting business in this Territory. If in such action the court shall find that such corporation is violating or has violated any of the provisions of sections 1 to 7, inclusive, of this Act, it must enjoin said corporation from doing business in this Territory permanently or for such time as the court shall order, or must annul the charter, or revoke the franchise of such corporation.

[**Sec. 7459AI.**] **Section 9. Illegal contracts.** Any contract, express or implied, made by any person, firm, or corporation in violation of any of the provisions of sections 1 to 7, inclusive, of this Act is declared to be an illegal contract and no recovery thereon shall be had.

[**Sec. 7459AJ.**] **Section 10. Actions to enjoin violation.** Any person, firm, private corporation or municipal or other public corporation, or trade association, may maintain an action to enjoin a continuance of any act or acts in violation of sections 1 to 7, inclusive, of this Act and, if injured thereby, for the recovery of damages. If, in such action, the court shall find that the defendant is violating or has violated any of the provisions of sections 1 to 7, inclusive, of this Act, it shall enjoin the defendant from a continuance thereof. It shall not be necessary that actual damages to the plaintiff be alleged or proved. In addition to such injunctive relief, the plaintiff in said action shall be entitled to recover from the defendant three times the amount of the actual damages, if any, sustained.

Any defendant in an action brought under the provisions of this section may be compelled to testify by deposition under the provisions of sections 3865 to 3888, both sections inclusive, of the Revised Laws of Hawaii 1935, or in person before the court in which such action is brought, and may be examined by the plaintiff or petitioner, as if on cross-examination, and the plaintiff or petitioner shall not be bound by his testimony; and in addition the books and records of any such defendant may be brought into court and introduced, by reference, into evidence; provided, however, that no information so obtained may be used against the defendant as

a basis for a misdemeanor prosecution under the provisions of sections 1 to 7, inclusive, and 11 of this Act.

The defendant may in like manner and subject to like conditions and with like privileges compel the plaintiff to testify by deposition or otherwise.

[**Sec. 7459AK.**] Section 11. **Penalties.** Any person, firm or corporation, whether as principal, agent, officer or director, for himself, or itself, or for another person, or for any firm or corporation, or any corporation, who or which shall violate any of the provisions of sections 1 to 7, inclusive, of this Act, is guilty of a misdemeanor for each single violation and upon conviction thereof, shall be punished by a fine of not more than one thousand dollars, or by imprisonment not exceeding six months or by both said fine and imprisonment, in the discretion of the court.

[**Sec. 7459AL.**] Section 12. **Constitutionality.** If any section, sentence, clause or phrase of this Act, or its application to any person or circumstances, is for any reason held to be unconstitutional or invalid, the remaining portions of this Act, or the application of this Act to other persons or circumstances shall not be affected. The legislature hereby declares that it would have passed this Act, and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more other sections, sentences, clauses or phrases be declared unconstitutional or invalid. The remedies herein prescribed are cumulative and in addition to the remedies prescribed in chapter 261 of the Revised Laws of Hawaii 1935 for discriminations by public utilities. If any conflict shall arise between this Act and the provisions of said chapter 261, the latter shall prevail.

[**Sec. 7459AM.**] Section 13. **Legislative declaration.** The legislature declares that the purpose of this Act is to safeguard the public against the creation or perpetuation of monopolies and to foster and encourage competition, by prohibiting unfair and discriminatory practices by which fair and honest competition is destroyed or prevented. This Act shall be liberally construed that its beneficial purposes may be subserved.

[**Sec. 7459AN.**] Section 14. **Short title.** This Act shall be known and designated as the "Unfair Practices Act".

[**Sec. 7459AO.**] Section 15. **Revolving fund.** There is hereby appropriated out of the general revenues of the Territory the sum of ten thousand dollars (\$10,000.00), which shall be placed in a revolving fund, hereby created, to be known as the "Unfair Practices Act Revolving Fund". All fines recovered under this Act shall be paid into said revolving fund. The moneys in said fund

shall be available for expenses of enforcement of this Act by the attorney general, including expenses of investigation, traveling expenses, witness fees and other expenses.

Section 16. **Effective date.** This Act shall take effect upon its approval.

(Approved May 17, 1937.) **S.B. 136, Act 223.**

CHAPTER 245. WORKMEN'S COMPENSATION LAW.

COMPENSATION.

[D-154] An Act to Amend Chapter 245 of the Revised Laws of Hawaii 1935, Relating to Workmen's Compensation, by Amending Sections 7486 and 7493 Thereof, Providing for a Special Compensation Fund and the Rights and Liabilities of Employers and Employees With Respect Thereto.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 7486** of the Revised Laws of Hawaii 1935 is hereby amended by adding at the end thereof a new paragraph, to be numbered 6 and to read as follows:

"6. If there be no dependents who are entitled to compensation under this chapter, the employer or the insurance carrier shall pay the sum of five hundred dollars, pursuant to an order to be made by the industrial accident board, for deposit into a special fund, in accordance with the provisions of paragraph 3 of section 7493, and said sums shall be expended only for the purposes and in the manner stated in paragraph 4 of section 7493."

Section 2. **Section 7493** of the said Revised Laws is hereby amended by adding at the end thereof two new paragraphs, to be numbered 3 and 4 and to read as follows:

"3. Special compensation fund. There is hereby created a fund to be known as the special compensation fund, which shall consist of payments made to it as in this section provided. The treasurer of the Territory shall be custodian of the said fund, and all disbursements therefrom shall be paid by him upon orders of the industrial accident board, which orders shall be signed by the chairman of said board and attested by the secretary of the board. Every employer, or, if he is insured, his insurance carrier, shall pay, pursuant to an order to be made by the industrial accident board, into the special compensation fund

for every case of accidental injury causing death in which there are no dependents entitled to compensation, the sum of five hundred dollars; provided, that whenever such sum is paid into the said fund and subsequently it develops that compensation is payable to dependents, the industrial accident board shall order the refund of such sum, and the treasurer of the Territory as custodian of said fund shall immediately refund the same upon receipt by him of a certified copy of said order.

There is hereby appropriated from the general fund of the Territory, and by way of advancement, the sum of ten thousand dollars, to be credited to the special compensation fund created by paragraph 3 of this section. When said fund has attained a total of twenty thousand dollars, the said sum of ten thousand dollars shall be therefrom reimbursed to the general fund. The sum hereby appropriated shall be available for all counties and shall be apportioned between them by the treasurer of the Territory as their needs indicate.

"4. If an employee who has previously incurred a permanent partial disability through the loss of one hand at or above the wrist, or one foot at or above the ankle, receives a personal injury by accident arising out of and in the course of his employment which results in the loss of a foot at or above the ankle, or a hand at or above the wrist, or, having lost the sight in one eye, receives injury which results in the total and permanent loss of the sight in the other eye, the employer shall be liable only for the permanent partial disability caused by the subsequent injury; provided, however, that, in addition to the compensation for permanent partial disability and after the cessation of payments for the period of weeks prescribed by paragraph 2 of this section, the disabled employee shall be paid by the industrial accident board, out of the special compensation fund, the remainder of the compensation that would then be due or thereafter become due the injured employee for permanent total disability if the subsequent injury itself had been the cause of his permanent total disability, such payments to be made by the board weekly by orders drawn on the treasurer of the Territory to be charged against the special compensation fund."

Section 3. This Act shall take effect upon its approval.

(Approved April 23, 1937.) S.B. 178, Act 66.

PROCEDURE IN OBTAINING COMPENSATION.

[D-155] An Act to Amend Section 7501 of the Revised Laws of Hawaii 1935, Relating to the Workmen's Compensation Law.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 7501 of the Revised Laws of Hawaii 1935 is hereby amended by amending the first paragraph thereof to read as follows:

"Sec. 7501. Notice of injury and claim for compensation; time limit; when unnecessary. No proceedings under this chapter for compensation for an injury shall be maintained unless a notice of the injury shall have been given to the employer as soon as practicable after the happening thereof, and unless a claim for compensation with respect to the injury shall have been made within three months after the date of the injury, or, in case of death, within three months after the death, whether or not a claim had been made by the employee himself for compensation; provided, however, that no claim for compensation with respect to the injury shall be made more than five years after the date of the accident or occurrence which caused the injury. The notice and claim may be given or made by any person claiming to be entitled to compensation or by some one on his behalf."

Section 2. This Act shall take effect upon its approval.

(Approved May 3, 1937.) **S.B. 375, Act 124.**

Title XXVI. MISCELLANEOUS TERRITORIAL PROVISIONS.

CHAPTER 247. CERTIFICATES OF HAWAIIAN BIRTH.

[D-156] An Act to Amend Chapter 247 of the Revised Laws of Hawaii 1935, by Adding a New Section Thereto to Be Known as Section 7613-A Relating to the Transfer of Certain Fees Deposited With the Secretary of the Territory to the Special Fund.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 247 of the Revised Laws of Hawaii 1935, is hereby amended by adding a new section thereto to read as follows:

"Section 7613-A. Refundable fees transferred to special fund; Claimants reimbursed. The sum of One Hundred and Five Dollars (\$105.00) representing fees deposited with the Secretary of the Territory by applicants for Hawaiian birth certificates and which has since prior to 1920 been carried as a special deposit and is now on deposit in the Bishop National Bank of Honolulu in the name of "Charles M. Hite, Secretary of Hawaii" shall be transferred to the "Special Fund" provided for in section 7613, **provided, however,** upon proof furnished by any claimant satisfactory to the Secretary of the Territory of the ownership of any part of the one hundred and five dollars (\$105.00) transferred to the Special Fund, the Secretary of the Territory may reimburse the claimant the amount of his deposit from any monies in the Special Fund."

Section 2. This Act shall take effect upon its approval.

(Approved April 10, 1937.) H.B. 348, Act 21.

CHAPTER 250. ELECTIONS: GENERAL.

VOTING BY ABSENTEES.

[D-157] An Act to Amend Section 7695 of the Revised Laws of Hawaii 1935, as Amended by Act 16 of the Session Laws of Hawaii 1935, Relating to Voting by Absentees.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Subsection 1 of **Section 7695** of the Revised Laws of Hawaii 1935, is hereby amended to read as follows:

"1. Any registered voter, except those registered in the District of Molokai, Island of Molokai, and those registered on the Island of Lanai, who will be absent from the county in which he is duly registered upon any primary, general or special election date may, within the period of five days next preceding any primary, general or special election, cast his ballot with the county clerk where he is registered, and any registered voter in the District of Molokai or of the Island of Lanai as aforesaid who will be absent from said district or said island upon such election date may, within said period of five days, cast his ballot with the district magistrate of Molokai or the district magistrate of Lanai, as the case may be, in the following manner:"

Section 2. Subsection 2 of **Section 7695** of said Revised Laws, as amended by Act 16 of the Session Laws of Hawaii 1935, is

hereby further amended by deleting the first two sentences of said subsection and inserting in lieu thereof the following:

"2. The county clerk (or, in the case of duly registered voters of the District of Molokai or of the Island of Lanai as aforesaid, the district magistrate of Molokai or the district magistrate of Lanai, as the case may be) shall, upon affidavit duly signed by such duly registered voter about to depart setting forth facts entitling him so to vote pursuant to paragraph 1, place in an envelope a ballot folded so as to conceal the names of the candidates thereon. The voter shall thereupon, in the usual manner provided by law, and in a place apart from any person, mark his ballot, place it in the envelope, seal the same, and sign his name thereon as proof that he has voted and deliver the envelope to the county clerk (or district magistrate, as the case may be) who shall, at the time he delivers the ballots to the inspectors of election of the precinct where the voter is registered, and in any event on the day of election and before balloting has ceased, deliver the envelope to the inspectors."

Section 3. Subsection 3 of **Section 7695** of said Revised Laws is hereby amended to read as follows:

"3. In case such voter suffers the disabilities specified in section 7693, then the county clerk or district magistrate, as the case may be, shall assist such voter in the marking of the ballot and the writing of his name upon the envelope and shall place upon the envelope a notation thereof."

Section 4. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 166, Act 99.**

CHAPTER 257. NATIONAL GUARD

[D-158] An Act to Repeal Section 7832 of the Revised Laws of Hawaii 1935, Relating to the National Guard.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Section 7832** of the Revised Laws of Hawaii 1935, is hereby repealed.

Section 2. This Act shall take effect upon its approval.

(Approved April 30, 1937.) **S.B. 285, Act 116.**

CHAPTER 259. PENSIONS.**PART 5. MEDICAL AID AND HOSPITALIZATION
FOR CERTAIN PENSIONERS.**

[D-159] An Act to Amend Chapter 259 of the Revised Laws of Hawaii 1935, Relating to Pensions, so as to Provide for Medical Aid and Hospitalization for Certain Pensioners.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 259 of the Revised Laws of Hawaii 1935 is hereby amended by adding thereto a new part, to be numbered "PART 5", and to read as follows:

"PART 5.**MEDICAL AID AND HOSPITALIZATION FOR CERTAIN
PENSIONERS.**

Sec. 7918. When free. Every recipient of any pension payable by the Territory or by any county or by any other governmental body or agency created by or under the laws of the Territory who is actually and solely dependent upon his pension for his maintenance and support, which dependency shall be determined by an investigation to be made and reported on by any regularly established official social agency, shall be entitled to free medical treatment from any government physician employed by the Territory or any county, and to free hospitalization at any county hospital or at a hospital where county patients are treated at county expense in the county wherein he resides, and it shall be the duty of every such government physician to give such free medical treatment when required, and it shall also be the duty of every county and the board of supervisors thereof to provide for such free hospitalization for pensioners residing in such county."

Section 2. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **S.B. 141, Act 90.**

PART 6. MUNICIPAL AND COUNTY PENSION SYSTEMS.

[D-160] An Act Providing for the Establishment of Municipal and County Pension Systems for Employees and Former Employees Ineligible to the Benefits of the Present Employees' Retirement Systems.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 7919.] Section 1. [Authority to establish.] The city and county and the several counties are hereby authorized and directed to establish municipal and county pension systems for all employees and former employees who are ineligible to the benefits of the employees' retirement systems of said city and county or counties now in effect and have had no option to become a member of any retirement system now in effect.

[Sec. 7919A.] Section 2. [Payment, conditions.] Such pension systems shall require as a prerequisite to the payment of a pension to any person; (1) that such person shall have attained the age of sixty years (60) or shall, through accident sustained without his fault or negligence in the performance of duty in his service for the city and county or county as the case may be, or illness, have become incapable of sustained remunerative work; (2) that such person shall not be gainfully employed by or receiving a pension or public assistance from the Territory or any county or city and county or any private person; (3) that such person except in case of accident and disability shall have been in the service and employment of such city and county or county for a total period of not less than ten years.

[Sec. 7919B.] Section 3. [Additional conditions.] Such pension systems shall provide, subject to the further provisions of this Act, that; (1) if an employee becomes unable to work before he reaches the age of sixty (60) after he has had ten (10) or more years of service, he may retire, regardless of age, on a disability allowance payable for the remainder of his life or until he is able to return to work. Such allowance shall be established at nine-tenths (9/10) of one-seventieth (1/70) of his average annual salary or compensation during the last ten (10) years of employment by the city and county or county multiplied by the number of his years of service; (2) if an employee has heretofore met with an accident incurred without his fault or negligence in the performance of duty in his service for said city

and county or county which has rendered him incapable of continuing his work he may retire on a pension of sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) of his average annual salary or compensation during the last ten (10) years or such lesser time as he may have been in city and county employment for life or until he is able to return to service.

[**Sec. 7919C.**] Section 4. [**Amount.**] No pension under said system except an accidental disability pension shall be granted or paid which shall exceed the annual amount of one-seventieth ($1/70$) of the average annual salary or compensation received by the person to whom such pension is granted during the last ten (10) years of his employment by the city and county or county, multiplied by the number of years during which such person was in the employment or service of such city and county or county.

[**Sec. 7919D.**] Section 5. [**Qualifications of pensioners.**] No person shall be qualified to receive a pension under this Act who has sufficient income or other resources, apart from any salary or compensation he may then be receiving from the city and county or county, to provide a subsistence compatible with decency and health, or who has made an assignment or transfer of property or income for the purpose of qualifying himself for public assistance or a pension, or who has a spouse, child, or parent who is financially able or legally responsible to support him, or who is an inmate of any public institution of a charitable, custodial, corrective or curative character, but an inmate may be eligible for a pension to begin after he is discharged from such institution.

[**Sec. 7919E.**] Section 6. [**Investigation by public welfare commission.**] No pension shall be granted any person under the authority of this Act save after investigation by the Public Welfare Commission of the city and county or county in question and approval by such commission of the eligibility of such person for pension and of the necessity and amount of the proposed pension.

[**Sec. 7919F.**] Section 7. [**Compliance with law required.**] No pension shall hereafter be granted by any city and county or county (except under present provisions of law relating to police, firemen, and bandsmen) unless the same shall comply with the requirements of sections two (2), three (3), four (4), five (5) and six (6) of this Act.

Section 8. This Act shall take effect upon its approval.

(Approved May 17, 1937.) **H.B. 344, Act 237.**

PENSIONS.

[D-161] An Act Providing a Pension of Two Hundred Fifty and no/100 Dollars (\$250.00) per Month for the Honorable James J. Banks.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The treasurer of the Territory is authorized and directed to pay each month to the Honorable James J. Banks, and continuing throughout his natural life (subject to the provisions of sections 7915 to 7917 of the Revised Laws of Hawaii 1935), upon warrants which the territorial auditor is authorized and directed to issue, a pension in the sum of two hundred fifty and no/100 dollars (\$250.00), and moneys to cover said pension are hereby appropriated from the territorial general fund. The payment of such pension shall commence when such pensioner vacates his office as associate justice of the supreme court of the Territory of Hawaii.

Section 2. This Act shall take effect upon its approval.

(Approved May 7, 1937.) S.B. 412, Act 162.

[D-162] An Act Authorizing and Directing the Board of Water Supply of the City and County of Honolulu to Pay Certain Pensions.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of water supply of the city and county of Honolulu is authorized and directed to pay each month to the persons hereinafter named, for the term of their natural lives, out of its funds, the sums set opposite their respective names as follows:

	Per Month
Caesar Rodrigues	\$31.25
Harry B. Chilton.....	25.00
John Silva	31.25
George Chock	31.25

subject to the provisions of sections 7915 to 7917, inclusive, of the Revised Laws of Hawaii 1935.

Section 2. This Act shall take effect upon its approval.

(Approved May 8, 1937.) S.B. 255, Act 175.

[D-163] An Act Authorizing and Directing the Board of Trustees, Pension Fund, County of Hawaii, to Grant Alfred R. Carvalho a Pension.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Trustees, Pension Fund, of the County of Hawaii is hereby authorized and directed to grant a life pension to Alfred R. Carvalho of Twenty-two and 50/100 Dollars (\$22.50) per month.

Section 2. Said pension shall be subject to the general provisions and limitations of sections 7915 to 7917, inclusive, of the Revised Laws of Hawaii, 1935.

Section 3. This Act shall take effect upon its approval.

(Approved May 10, 1937.) H.B. 270, Act 200.

CHAPTER 259A. PUBLIC WELFARE LAW.

[D-164] An Act Establishing a Territorial Board of Public Welfare and County Public Welfare Commissions, and Providing for Public Assistance to the Aged; to the Blind and to Dependent Children; for General Assistance to Needy Persons; for Child Welfare Services; Providing for the Conduct of Activities for the Conservation of Sight and Work With the Blind for the Territory of Hawaii; Creating Certain Misdemeanors in Connection With the Objects of This Act; Making Appropriations for the Purposes of This Act; Transferring to and Vesting in the Board of Public Welfare the Property, Funds, Duties, Powers and Functions of the County Child Welfare and Old Age Pension Commissions; Repealing Sections 7870-7892 and Sections 7893-7902 of Chapter 259 of the Revised Laws of Hawaii 1935, as Amended, Repealing Portions and Amending Portions of the Hawaii Unemployment Relief and Welfare Act, Transferring to and Vesting in the Board of Public Welfare the Property, Funds, Duties, Powers and Functions of the Hawaii Unemployment Relief and Welfare Commission, and Providing for the Expenditure of Unemployment Relief and Welfare Taxes and Repealing or Amending Laws or Portions of Laws Inconsistent With or in Conflict With This Act.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. **Definitions.** Unless the context clearly requires a different meaning when used in this Act:

"Public Assistance" shall mean money payments to, or for the benefit of, aged persons, blind persons, dependent children, and other persons whom the commission has determined to be unable to procure or provide sufficient support for themselves and those dependent upon them.

"General Assistance" shall mean that portion of public assistance including money payments to or for the benefit of persons other than the aged, blind, and dependent children whom the commission has determined to be unable to procure or provide sufficient support for themselves and those dependent upon them.

"Applicant" shall mean the person for whose use and benefit an application for public assistance is made.

"Recipient" shall mean the person for whose use and benefit a grant of public assistance is made.

"Commission" shall mean the county or city and county public welfare commission.

"Board" shall mean the board of public welfare of the Territory of Hawaii.

"Dependent Child" shall mean any minor under eighteen years of age who, for any reason, is destitute or homeless or abandoned or dependent upon the public for support or who has no proper parental care or guardianship, or whose home, by reason of cruelty, neglect or depravity on the part of his parents, guardian or other person in whose care he may be, is an unfit place for such child, and shall also mean any minor under twelve years of age who might if over twelve years of age be adjudged a delinquent child.

"County" shall be deemed to include the City and County of Honolulu.

Section 2. There is hereby created a board of Public Welfare of seven (7) members who shall be appointed by the Governor in the manner prescribed by Section 80 of the Organic Act. Of such seven (7) members, one shall be appointed from each of the counties of Honolulu, Hawaii, Maui and Kauai and shall be designated in such appointment as chairman of his county Public Welfare Commission hereinafter created, and three (3) shall be appointed from residents of the territory at large. One of the members appointed from residents of the territory at large shall be designated in his appointment as chairman of the board. The members shall hold office for four (4) years or until their successors are appointed and qualified; provided, however, that the first members who are appointed from residents of the territory at large, shall be appointed, one (1) for a term expiring May 1, 1938, one (1) for a term expiring May 1, 1939, and one (1) for a term expiring May 1, 1940. Any appointment to a vacancy caused by the death, resignation or inability to act of any member

shall be for the unexpired term of such member. The members shall serve without pay but they shall be entitled to the actual and necessary expenses incurred by them in discharging their official duties under this Act.

Section 3. Eligibility for Membership. No person shall be eligible for membership on the territorial board or the county public welfare commissions who occupies any elective or salaried appointive position under the federal, territorial or county governments, and no member shall during his term of office serve as an officer or committee member of any political party organization, or present himself as a candidate of any political party for election to any public office.

Section 4. Duties of the Board. The board shall be responsible for the conduct or supervision of all activities provided for by this Act and for the formulation and adoption of all policies, rules and regulations for the administration of this Act.

Section 5. Director and Employees. The board shall have the power to appoint such personnel as may be necessary including a director who shall serve as the executive and administrative officer of the board. The board shall require of the director a bond in such amount as it may direct in the form prescribed by law for bonds of public officers. The board shall define the powers and duties, and subject to the approval of the Governor, fix the compensation of the employees constituting such personnel. Such employees shall hold their respective positions subject to the pleasure of the board, but in the event of the passage of any Civil Service Act relating to employees of the territory the provisions of such Civil Service Act shall control their appointment and tenure.

Section 6. Appropriations: Expenditure. Moneys provided by the Legislature for expenditure by the board shall be expended upon vouchers approved by the board.

Section 7. Activities of the Board. Except as otherwise provided by law, the board shall:

(1) Supervise the administration of all public assistance including general assistance, old age assistance, aid to dependent children, and aid to the blind.

(2) Place, or cooperate in the placing of, dependent children in suitable institutions or private homes, as provided by this Act.

(3) Administer child welfare activities as provided for in Part II of this Act.

(4) Administer work with and for the blind including the registry of blind, medical care, vocational guidance, training, placement

in employment and other services, including the conduct of activities for sight conservation and prevention of blindness.

(5) Cooperate with the federal government in carrying out the purposes of the Social Security Act, and in other matters of mutual concern pertaining to public welfare and public assistance, including the making of such reports, the adoption of such methods of administration and the making of such rules and regulations as may be found by the federal government, or any properly constituted authority thereunder, to be necessary or desirable for the efficient operation of the plans for such public welfare and assistance, or as may be necessary or desirable for the receipt of financial assistance from the federal government.

(6) Carry on research and compile statistics relative to public and private welfare activities throughout the territory, including those dealing with dependence, defectiveness, delinquency and related problems; and develop plans in cooperation with other public and private agencies for the prevention and treatment of conditions giving rise to public welfare problems.

(7) Make such rules and regulations governing the procedure in hearings, investigation, recording, registration, determination of allowances, and accounting, establish such minimum standards for personnel employed by the board or commissions and provide for the maintenance of such standards and conduct such other activities as may be necessary or proper to carry out the provisions of this Act. Such rules and regulations shall be binding upon the several counties and upon their respective boards of supervisors in all public welfare activities within the scope of this Act, supported in whole or in part by territorial, county and federal funds. Each public welfare commission shall keep such records and accounts with respect to the payment of public assistance and shall comply with such standards of administration as may be required by the board, and shall submit reports in the form and manner prescribed by the board.

(8) Supervise or administer any other activities authorized or required by this Act.

Section 8. Commitments directed to the public Welfare Board. If in any proceedings before a juvenile court, as provided for in Chapter 133, R. L. H. 1935, as amended, a child is adjudged and determined to be dependent within the meaning of this Act and the court finds that such child should be removed from its own home, such child shall be committed to the board or the commission in the judicial circuit where such finding was made to provide for and supervise the care and maintenance of such dependent child; provided, however, that any dependent child under the age of twelve (12) years who might if over twelve (12) years of age be adjudged a delinquent child may, in the discretion of the court, be

retained under its supervision. The board or commission shall have the authority to place a child so committed to it in a proper institution or private home and shall cooperate with public or private authorities, in the placing of such child in a proper institution or suitable private home.

Section 9. Authority over and Investigation of Organizations or Institutions Caring for Dependent Children. No organization or institution shall be allowed the care and custody of dependent children unless such organization or institution meets with the standards of condition, management and competence to care for and train children set by the board.

Upon approval of such organization or institution, the board shall issue a certificate of approval which shall continue in force for one year unless sooner revoked for cause. Such certificate shall be renewed on approval of the board after annual investigation if such investigation shall disclose that such organization or institution continues to meet with the standards set by the board. The certificate of approval shall be a permit to operate the organization or institution, and no person or organization shall operate or maintain such organization or institution without such certificate.

Any organization or institution to whose care or custody dependent children are entrusted shall be subject to investigation at any time in such manner as directed by the board.

Section 10. Public Welfare Commission. In each county there is created a public welfare commission. The commission shall be composed of seven (7) members in the County of Hawaii and six members in each of the counties of Maui, Kauai and the City and County of Honolulu.

The judges of the juvenile courts of the third and fourth judicial circuits in the County of Hawaii and the judges of the juvenile courts in the other counties shall be ex-officio members of the commissions of their respective counties. The members of the board of public welfare appointed as provided in section 2 and designated as chairmen shall serve as chairmen of the respective commissions. The four remaining members of each commission shall be appointed by the Governor in the manner prescribed in Section 80 of the Organic Act, and shall hold office for four (4) years or until their successors are appointed and qualified; provided, however, that of the first four members so appointed to each commission one shall be appointed for a term expiring May 1, 1938, one for a term expiring May 1, 1939, one for a term expiring May 1, 1940, and one for a term expiring May 1, 1941.

Any appointment to fill a vacancy shall be for the unexpired term of the member whose office has become vacant.

The members shall serve without pay but they shall be entitled to the actual and necessary expenses incurred by them in discharging their official duties under this Act.

Section 11. Organization, Power and Duties. Each commission may employ such personnel as may be necessary properly to carry out its functions and duties and may require of such personnel bonds in such amounts as it may direct in the form prescribed by law for public officers.

The employees constituting such personnel shall hold their respective positions subject to the pleasure of the commission, but in the event of the passage of any Civil Service Act, the provisions of such Civil Service Act shall control the appointment and tenure of such employees.

Each commission may make rules and regulations for the conduct of its business insofar as these are not inconsistent with rules and regulations made by the board. Each commission shall report annually to the board the transactions of the commission for the preceding fiscal year and make such further reports as may be required by the board.

Section 12. Applications, Manner, Form. Applications for public assistance under this Act shall be made to the commission of the county in which assistance is sought by the applicant, or by someone acting in his behalf, in the manner and form prescribed by the board.

No applicant shall be entitled to public assistance under this Act who has sufficient income or other resources to provide a subsistence compatible with decency and health or who has made an assignment or transfer of property or income for the purpose of qualifying himself for public assistance, or who has a spouse, child or parent who is financially able and legally responsible to support him, or, with the exception of dependent children placed by the board or with its approval in a charitable institution for care and maintenance, who is an inmate of any public institution of a charitable, custodial, correctional or curative character, but an inmate of such an institution may apply for assistance to begin after his discharge from such institution.

Section 13. Protection of Records. It shall be the duty of the board and of the commissions to keep such case records as may be necessary or proper in accordance with the provisions of this Act. All applications and records concerning any applicant shall be confidential and shall be open to inspection only by persons duly authorized by the territory or the United States in connection with their official duties, or to employees, acting within the scope and

course of their employment, of such recognized social welfare organizations as may be approved by the board or commission.

Any person who furnishes to anyone to whom such records are not open to inspection any of the information contained in such records or aids or abets in the inspection of such records by any person unauthorized to inspect the same shall be guilty of a misdemeanor and upon conviction shall be fined not more than One Thousand Dollars (\$1,000.00).

Section 14. Reports and Appeals to and Investigations by the Board of Public Welfare. Each commission shall make current reports to the board of its decisions upon each application presented to it. If an application is not acted upon within a reasonable time after the filing of the application, or is denied in whole or in part, or if any award of assistance is modified or cancelled under any provision of this Act, the applicant or recipient may appeal to the board in the manner and form prescribed by the board. Opportunity for a fair hearing with reasonable notice of the time and place thereof shall be given by the board to the applicant or recipient upon receipt of such appeal.

The board may also, upon its own motion, and with like notice and opportunity for a fair hearing to the applicant or recipient, review any decision of a commission, and may consider any application on which a decision has not been made by a commission within a reasonable time.

The board may make such additional investigation upon an appeal or consideration upon its own motion as it may deem necessary, and shall make such decision as to the granting of assistance, and the amount of assistance to be granted the applicant, as in its opinion is justified and in conformity with the provisions of this Act.

All decisions of the board shall be final and shall be binding upon the county commission involved and shall be complied with by such commission.

Section 15. Relief Limited. During the continuance of public assistance under the provisions of this Act, no recipient shall receive any other public assistance from the territory or any county, except for necessary medical, dental and surgical care.

Section 16. Assistance Payments Inalienable. All assistance payments shall be inalienable by any assignment, sale, attachment, garnishment, execution or otherwise.

Section 17. Assistance Improperly Obtained, Inquiry, Suspension. If at any time the commission has reason to believe that any public assistance has been improperly obtained, it may at the discretion of the commission cause special inquiry to be made by

the county attorney and may suspend payment of such assistance pending the inquiry. If, on inquiry, and after the recipient has had reasonable notice and an opportunity for a fair hearing, it appears that the assistance was improperly obtained, it shall be cancelled by the commission and the person whose assistance has been cancelled shall be disqualified from making new application for such period as may be determined by the commission. If it appears that the assistance was properly obtained, the suspended payment shall be payable in due course.

Section 18. Cancellation or Revision. If, at any time during the currency or continuance of public assistance, the recipient, or any person legally liable for the support of the recipient becomes possessed of any property or income in addition to that available at the time the grant was made by the commission, the commission may, for such cause or for any other like cause, either cancel the assistance or change the amount thereof.

Section 19. Assistance Payments Subject to Change or Repeal. All public assistance granted under the provisions of this Act shall be deemed to be granted and held subject to the provisions of any amending or repealing act that may hereafter be passed and no recipient under this Act shall have any claim for compensation or otherwise by reason of his assistance being affected in any way by any such amending or repealing act.

Section 20. Recovery from Estate. If a recipient under this Act dies leaving an estate, the commission may in its discretion file a claim against such estate for the amount of public assistance granted under the provisions of this Act, and such claim shall be allowed.

Upon the recovery of any claim as provided in this section, the amount so recovered shall be paid into the treasury of the territory, and if the amount for which claim was made was paid to the recipient for old age assistance one-half thereof shall be paid by the treasurer of the territory into the treasury of the United States, and the treasurer shall thereupon report such payment to the board of public welfare.

Section 21. Frauds, etc. Any person who by means of a wilfully false statement or representation, or by impersonation, or other fraudulent device, obtains or attempts to obtain, or aids or abets any other person to obtain public assistance to which he is not justly entitled or a larger amount of assistance than that to which he is justly entitled or payment of any forfeited installment grant; or who aids and abets in the buying or in any way disposing of the property of a public assistance recipient without the consent of the commission, shall be guilty of a misdemeanor and upon con-

viction thereof shall be fined not more than Five Hundred Dollars (\$500.00) or be imprisoned for not more than one year or both.

Section 22. Incompetency of Recipient. If the recipient is found incapable of taking care of his money or himself the commission may direct his assistance to be paid to a legal guardian or any other reputable person for his benefit or may suspend assistance for such period as it deems fit.

Section 23. Legal Representative. The attorney general shall act as a legal representative of the board of public welfare when requested to do so, and the county attorneys shall act as legal representatives of the public welfare commissions of their respective counties when so requested.

PART II

Public Assistance to the Aged, the Blind, Dependent Children and Child Welfare Services.

Section 24. Public Assistance. The public welfare commissions shall administer in the several counties public assistance to the aged, the blind, and dependent children under the supervision of and with the cooperation of the board of public welfare, and the board shall administer within the territory child welfare services referred to in Section 30 of this Act.

Section 25. Aged Persons. A person shall be eligible for old age assistance who:

- (1) Is in need and has not sufficient income or other resources to provide a subsistence compatible with decency and health;
- (2) Resides in the Territory and has so resided for not less than five years during the nine years immediately preceding the date of the application; and
- (3) Is sixty-five years of age or more.

Section 26. Blind Persons. A person shall be eligible for public assistance who:

- (1) Is in need and has not sufficient income or other resources to provide a subsistence compatible with decency and health;
- (2) Has resided in the territory for at least five years during the nine years immediately preceding application for assistance; and
- (3) Has vision in the better eye, with correcting glasses, of less than twenty two-hundredths ($20/200$) or a disqualifying field defect sufficient to incapacitate him for self-support.

Section 27. Dependent children. A dependent child shall be eligible for public assistance who:

(1) Is in need, and has not sufficient income or other resources to provide care and support compatible with decency and health;

(2) Has not attained the age of eighteen years;

(3) Is deprived of parental support or suitable care by reason of the death, continued absence from home, physical or mental incapacity, or cruelty, neglect or depravity on the part of a parent;

(4) Is living in a suitable home with his father, mother, grandfather; grandmother, brother, sister, step-father, step-mother, uncle or aunt in a place of residence maintained by such relative as his own home; or is living in a suitable family home or institution conforming to the standards fixed by the board; and

(5) Has resided in the territory for one year immediately preceding application for assistance, or was born, within one year immediately preceding application, of a mother who resided within the territory for one year immediately preceding such birth.

Section 28. Determination of Amount of Assistance. The amount of public assistance granted, including funds received from the federal government, shall not exceed in the case of any applicant an amount in excess of that determined upon investigation by the commission or by the decision of the board to be compatible with maintaining decency and health, and in the case of an aged or blind person shall not exceed Thirty Dollars (\$30.00) per month.

Section 29. Home Condition, Right of Removal. A determination by the commission or the board that the home where a dependent child lives is no longer a suitable or proper place for the rearing of said child shall constitute good reason for the revocation of a grant of public assistance and such other provisions shall be made for the care of the child as may be deemed necessary.

Section 30. Federal Assistance for Child Welfare Services. For the purpose of qualifying for federal assistance in the allotment of funds for Child Welfare Services in the territory as contemplated in Part 3 of Title V of the Social Security Act, the Board of Public Welfare shall cooperate with the Children's Bureau of the United States Department of Labor, and shall make such rules and regulations and establish such methods of administration and shall make such reports as may be required by virtue of any law or regulation of the United States or any properly constituted authority thereunder under which the Territory of Hawaii may become entitled to financial assistance from the United States government for Child Welfare Services. The treasurer of the territory shall be the custodian of funds received for such services from the federal government.

Section 31. **Personnel and Administration.** The board shall appoint such personnel as may be necessary to carry out the program of Child Welfare Services.

The employees constituting such personnel shall be subject to its administrative direction and shall hold their respective positions subject to the pleasure of the board, but in the event of the passage of any Civil Service Act relating to employees of the territory the provisions of such Civil Service Act shall control their appointment and tenure. The county commissions shall cooperate with the board in carrying out the program of Child Welfare Services.

Section 32. **Examination of Blind.** A commission shall not approve an application for public assistance to a blind person until the applicant has been examined by an ophthalmologist or a qualified physician designated by the commission to make such examinations. The examining person shall certify to the commission the diagnosis, prognosis, and visual acuity of the applicant. Certification shall be on forms prescribed by the board.

Section 33. **Appropriations: Expenditure.** Moneys made available for expenditure of the respective commissions shall be expended upon vouchers approved by such commissions.

Section 34. **Aged and Blind Assistance not to be Paid to Same Person.** Public assistance shall not be granted to a blind person with respect to any period in which he is receiving public assistance as an aged person.

Section 35. **Funds.** The funds for the payment of public assistance under Parts II and IV of this Act shall be appropriated by the board for use by the commissions of the respective counties, and all expenses incurred by the several commissions in the administration of Parts II and IV of this Act shall be paid from funds so appropriated or made available.

Section 36. **Report to Auditor.** Within ninety days after the close of the calendar year, the board shall make a report of the preceding year to the territorial auditor stating the total number of recipients, the amounts disbursed for the several categories of assistance, the total number of applications, the number of persons granted assistance, the number denied, the number having assistance cancelled during the year and giving such other information as the territorial auditor may deem advisable.

Section 37. **Territorial Reimbursement.** The board shall comply with all requirements of the Social Security Board pertaining to methods and standards of administration and shall make such rules and regulations and follow such procedure as may be required

for the receipt of grants-in-aid for public assistance and such administrative costs as are provided in the Social Security Act from the federal government, for the purpose of assuring full federal approval of the activities of the Board of Public Welfare and the county commissions. Each commission shall keep such records and accounts with respect to public assistance as the Board of Public Welfare shall prescribe and shall present certified claims for reimbursement as herein provided at such time and in such manner as the board shall prescribe. The board shall certify to the auditor of the territory the amounts so approved by it.

PART III

Conservation of Sight and Work With the Blind.

Section 38. **Registration of Blind.** It shall be the duty of the board to cause to be maintained a complete register of the blind in the Territory of Hawaii which shall describe the condition, causes of blindness, capacity for education and industrial training and such other facts as may seem to the board to be of value regarding each blind person together with recommendations for rehabilitation and relief.

The board shall register cases of persons whose eyesight is seriously defective or who are likely to become visually handicapped or blind, and take such measures in cooperation with other authorities, as it may deem advisable for the prevention of blindness or conservation of eyesight, and, in appropriate cases, provide for or secure the vocational guidance of adults having seriously defective sight.

Section 39. **Cause and Prevention of Blindness, Examinations.** It shall be the duty of the board to make investigation of the causes of blindness, to learn what proportion of the cases are preventible and to inaugurate and cooperate in any such preventive measures as may seem advisable for the Territory of Hawaii. The board may arrange for the examination of the eyes of individual blind or partially-sighted persons and may provide or secure medical and surgical treatment of such persons whenever, in the judgment of the board, the sight of such persons may be benefited thereby.

Section 40. **Agencies for Information and Industrial Aid.** The board shall maintain or cause to be maintained one or more agencies for employment information and industrial aid, the object of which shall be to aid the blind and those with seriously defective eyesight in finding employment and shall provide instruction for such persons in trades and occupations which may be followed in their homes, and shall assist such persons in whatever manner it may deem advisable in disposing of the products of their home industry.

Section 41. **Workshops.** The board may also, whenever it deems proper, aid individual blind persons or groups of blind persons to become self-supporting by furnishing materials, machinery and other facilities to them, and assist them in the sale and distribution of their products, and in other like ways help them to become self-supporting.

Section 42. **Visiting the Blind; Home Teaching.** The board may take whatever measures it deems necessary to ameliorate the condition of the blind by promoting visits among them, providing instruction in their homes, and circulating reading matter among them for their education and recreation.

Section 43. **Sight Conservation and Prevention of Blindness.** The board shall take such measures in cooperation with the department of public instruction and other public and private authorities as it may deem advisable for the education of children in the conservation of eyesight and the prevention of blindness, and may recommend for sight-saving classes or for the Territorial School for the Blind, children certified by any reputable oculist as fit subjects for instruction therein.

The board shall conduct or supervise such vision-testing activities in public and private schools as it deems advisable and as meets the approval of the school authorities to determine those children who have defective vision and shall make recommendations, if any it have, for the conservation or correction of their vision, and shall cooperate with school authorities to secure proper lighting and in such other measures as it may deem advisable to remedy conditions which may be conducive to or cause weakening of eye-sight.

It shall be the duty of the board to conduct classes and lectures in sight conservation and prevention of blindness for teachers and public health nurses and others engaged in like work.

The board shall cooperate with public and private organizations and societies in an effort to educate the public in the importance of sight conservation and may give illustrated exhibits and lectures to officials and employees of private industrial organizations with a view to emphasizing the importance of proper care of the eyes and the adoption of safety measures to reduce accidents resulting in eye injuries and may take such action as may be necessary or proper to secure scientific illumination in public and private buildings.

The board may also accept and expend or distribute donations, eye glasses and other services for sight conservation and for assistance to the blind.

PART IV

Section 44. **General Assistance.** Each public welfare commission shall administer within its county public assistance to those needy persons and families not otherwise provided for under this Act, subject to the rules and regulations and administrative supervision of the board of public welfare.

Section 45. **Persons Entitled.** Each commission may in its discretion grant assistance to a needy person or family who for any reason satisfactory to the commission is unable to procure or provide sufficient support for himself or those dependent upon him.

Section 46. **Applications.** Applications for general assistance shall be made to the commission of the county in which such assistance is sought by the applicant or by someone acting in his behalf in the manner and form prescribed by the board.

Section 47. **Amounts of Grants.** Upon receipt of an application for general assistance the commission shall investigate and prepare a complete record of the circumstances of the applicant and his dependents, if any. If assistance is granted, the commission shall fix the amount or value of such assistance in money, food, shelter, or other necessities. The amount or value of such assistance shall not exceed such minimum as in the judgment of the commission will provide a minimum subsistence for the individual and dependents concerned.

PART V

Appropriations, Etc.

Section 48. **Transfer of Activities.** Upon the taking effect of this Act all property (and funds on hand collected between the dates of the approval of this Act and June 1, 1937) and all powers, duties and functions, including the authority and power to complete any unfinished business undertaken by them, of or under the control of the Territorial Welfare and Relief Commission as provided by Act 209 of the Session Laws of Hawaii 1933, as amended by Act 135 of the Session Laws of Hawaii 1935, are transferred to and vested in the Board of Public Welfare and the word "Commission" as used in said Act 209 as so amended shall mean and include the Board of Public Welfare of the Territory.

Section 49. All moneys on hand collected under the provisions of Act 209, as amended, prior to the approval of this Act shall be deposited in a special fund in the territorial treasury within ten

days after the approval of this Act and shall be expended upon vouchers approved by the Governor as follows: (1) to reimburse in full the several counties for their expenditures made under Sections 7870-7892 and Sections 7893-7902 of Chapter 259 of the Revised Laws of Hawaii 1935, after January 1, 1937; (2) for the initial and continuing administration costs of the Public Welfare Board until the amount of Fifty Thousand Dollars (\$50,000.00) is expended, which amount shall be deducted from the amount allowed for 1937 under Section 51 of this Act, and (3) for unemployment relief measures in cooperation with any Federal agency for the relief of unemployment.

Section 50. Section 24 of said Act 209 of the Session Laws of Hawaii 1933, as the same is set forth in Chapter IV of the Appendix to the Revised Laws of Hawaii 1935, as the same is amended by Act 135, of the Session Laws of Hawaii 1935, is hereby amended by changing the year "1937" wherever it therein appears to read "1939" and Sections 19 and 21 of said Act 209 are hereby repealed.

Section 51. All moneys collected during any calendar year after the effective date of this Act under the provisions of said Act 209, as amended, shall be paid as collected into a special fund to be known as "Welfare and Unemployment Work Relief Fund" and expended as hereinafter provided:

Such portion of said "Welfare and Unemployment Work Relief Fund" as may be necessary to be expended in order to secure the maximum payments or grants-in-aid from the federal government for dependent children, old age assistance and aid to the blind shall be expendable by the Public Welfare Board and thereafter for such other public and general assistance as may be contemplated by this Act, but not in excess of \$650,000.00 per calendar year inclusive of administration costs of all activities provided for by this Act, and proportionately for the remaining portion of the year 1937, without the necessity of securing the approval of the Governor; any surplus in said "Welfare and Unemployment Work Relief Fund" as may be determined by the Governor to exist from time to time, over and above such portion, shall be allocated by the Governor for expenditure for the following purposes: (1) for general assistance under this Act, for public assistance to dependent children, aged persons and the blind in excess of the amounts for which payments or grants-in-aid may be received from the federal government, and for relief of persons not covered by the classifications or definitions of the Social Security Act; (2) for aid to crippled children, in such manner as to comply with the Social Security Act, amounts not in excess of \$25,000.00 annually; and (3) for unemployment relief measures in cooperation with any federal agency for the relief of unemployment.

Section 52. All grants-in-aid, reimbursements, assistance or refunds received from the federal government for the purposes of this Act are hereby reappropriated into the "Welfare and Unemployment Work Relief Fund" provided in Section 51 and shall be expended by the board without the necessity of approval or allocation by the Governor for the purposes of this Act, and in conformity with the requirements of the Social Security Act.

Section 53. **Sections 7870-7892** and **Sections 7893-7902** of Chapter 259 of the Revised Laws of Hawaii 1935, as amended, are hereby repealed. All property and funds and all powers, duties and functions, including the authority and power to complete any unfinished business undertaken by them, of or under the control of the county child welfare boards and old age pension commissions as provided by said sections as amended, are transferred to and vested in the Board of Public Welfare.

Section 54. Any law or portions of law inconsistent or in conflict with this Act are hereby amended or repealed to the extent of such inconsistency or conflict.

Section 55. **Separability of Provisions.** If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

Section 56. Those provisions of this Act providing for or relating to the creation and appointment of the members of the board and of the commissions and the making of rules and regulations, together with Section 49 of this Act, shall take effect upon the approval of this Act; the remainder of this Act shall take effect upon June 1, 1937. Wherever in this Act the words "effective date of this Act" or "taking effect of this Act" shall occur, they shall be construed to mean June 1, 1937.

(Approved May 18, 1937.) **H.B. 286, Act 242.**

CHAPTER 260. RETIREMENT SYSTEM.

[D-165] An Act to Amend Chapter 260 of the Revised Laws of Hawaii 1935, as amended, to Provide for the Granting of Prior Service Credit to Certain Members of the Employees' Retirement System of the Territory of Hawaii Who Were on Authorized Leave of Absence From Active Service on March 1, 1926, and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

[Sec. 7923A.] Section 1. [Service creditable.] Notwithstanding anything to the contrary, any member of the Employees' Retirement System of the Territory of Hawaii who became a member prior to March 15, 1929 upon reappointment by his or her Department or within a period of six months following such reappointment after the termination of an authorized leave of absence which leave began prior to March 1, nineteen hundred and twenty-six and who has continued as a member since the first day he became a member, shall be deemed to be entitled to credit for service rendered prior to January first, nineteen hundred and twenty-six and shall be entitled to a prior service certificate as provided by Section 7923, Revised Laws of Hawaii 1935, as amended.

[Sec. 7923B.] Section 2. [Appropriation.] To cover the accrued liability contribution required to provide for the liquidation of the additional liability of the retirement system created by Section 1 of this Act, the sum of ten thousand dollars (\$10,000.00) is hereby appropriated for the first biennium following the date of the passage of the Act in addition to all other amounts appropriated for the Pension Accumulation Fund. The Trustees shall include in the request for future appropriations for the Pension Accumulation Fund the amount needed in each biennium to cover the balance of the liability created by this Act.

Section 3. This Act shall take effect upon its passage.

(Approved May 17, 1937.) H.B. 96, Act 235.

PENSIONS; AUTHORITY TO ADJUDICATE.

[D-166)] An Act Relating to Pensions, Providing for the Adjudication of Certain Claims for Pensions and Authorizing and Directing the Boards of Supervisors of the Various Counties to Provide for the Payment Thereof, and Providing for the Payment of Certain Territorial Pensions.

Be it Enacted by the Legislature of the Territory of Hawaii:

[[Sec. 7936.] Section 1. Authority to adjudicate; procedure. The board of trustees of the Employees' Retirement System of the Territory of Hawaii is hereby authorized, empowered and directed to investigate the claims for pensions, heretofore presented to this legislature, of the persons hereinafter in this Act named, and to determine whether the same in its judgment merit an increase over the amount of fifteen dollars per month. In the event that any such claim is found to be a proper and meritorious one for such increase, the board shall fix the amount (not less, however, than \$15.00 per month) which in its judgment should be paid to the claimant each month, such amount to be determined as nearly as may be in accordance with the applicable rules, procedure and limitations which are applicable to members of said System, and for such purposes the board may determine the amount of such pension upon such basis as if the claimant (or the claimant's husband in the case of a widow making such claim) had been a member of said System until the time of his final termination of his public service and as if the application for such pension were being made immediately upon such termination of service. In any claim resulting from accidental disability in which the claimant received an award from the Industrial Accident Board of any county or city and county the same shall be calculated on the basis of one-half of the benefits allowed under paragraph 6, Section 7925 of the Revised Laws of Hawaii 1935.

Whenever the board shall find the claim for a pension of any person listed under the name of any county under this Act to merit an increase over \$15.00 per month, the board shall certify such finding and the amount found by it to be the proper amount of such pension, to the board of supervisors of such county, and such board of supervisors shall thereupon have power and it is hereby authorized and directed to pay a pension to such claimant during the remainder of his natural life, subject to the general provisions and limitations of sections 7915 to 7917, inclusive, of the Revised Laws of Hawaii 1935, in the amount so found by said board of trustees to be proper or in any lesser amount found proper by said board of supervisors, but in no event less than

\$15.00 per month; provided, however, anything in this Act to the contrary notwithstanding, no pension now provided for by law, shall be hereby or hereunder repealed or reduced.

[Sec. 7936A.] Section 2. **City and county of Honolulu pensions.** The following persons shall be granted pensions by the city and county of Honolulu, pursuant to section 1 of this Act, to-wit:

Waipa Akana
 Moses Akawa, Sr.
 Charles Aiona
 David P. Alohihea
 Abner Makia Aluli
 Thomas Aukai
 James Hoolulu Aweau
 Thomas Brown
 Chun Fat
 John S. Gillis
 David Haili
 Lui Haona
 Lehuanui Henry
 Mrs. Annie Houghtailing
 John W. Humeku
 Joseph Kaai
 George Kahanu
 James K. Kahele
 Samuel Kahiona
 Mrs. Maria Kahoiwai
 Joseph Kaimana
 John Kaimi
 Kalei Kalimapehu
 Howard Kaopuiki
 Noah N. Kauhane
 John Kauinana
 John M. Kekua
 G. M. Kipola
 Kuhina Koma
 Manuel Leal
 David Laelae
 J. K. Mahoe
 Samuel L. Makahi
 David Manuel
 Geo. W. Macy
 Frank Medeiros
 Joseph Medeiros
 George Medeiros

} minor children of Frank Medeiros (de-
 ceased) to continue until each child reaches
 the age of 18 years

Gershom Naukana
John Palimoo, Sr.
Barenaba Perry
David Pilanui
Kalele Poe
Manuel Reis
John Silva
Joseph M. Silva
Paona Simeona
Joseph Waha
Josiah Smith
Mrs. Clara K. Wahinekapu
James Watson
Mrs. Austin Whiting

[**Sec. 7936B.**] Section 3. **County of Hawaii pensions.** The following persons shall be granted pensions by the county of Hawaii, pursuant to section 1 of this Act, to-wit:

Antone C. Amarino
Mrs. Andrew K. Akina
Kikai Moku
John T. Nakai
Mrs. James W. Pakiko
Kokichi Sasaki
Charles Warren, Sr.

[**Sec. 7936C.**] Section 4. **County of Maui pensions.** The following persons shall be granted pensions by the county of Maui, pursuant to section 1 of this Act, to-wit:

J. P. Kaonohi
Ahina Apeau
George H. Cummings
John Helekahi
Ben Kaauamo, Sr.
George Kaholokai
Henry Kailiehu
Sam Kaimi
Mrs. Frank Kalua
Levi Mahiai
Solomon Maielua
Mrs. Hattie Maule
Antone Morreira
Thomas Pa
Frank Souza

[Sec. 7936D.] Section 5. **Authority of treasurer to pay upon warrants of auditor certain pensions.** The treasurer of the Territory is authorized and directed to pay each month during the period of their natural lives (subject to the provisions of said sections 7915 to 7917 of said Revised Laws), upon warrants of the territorial auditor who is hereby authorized and directed to issue the same, a pension to, and in the amount hereinafter set forth opposite the name of, each of the following named persons, and sufficient amounts to cover said pensions are hereby appropriated out of the general fund of the Territory, to-wit:

Minor children of Alverinos Chaves to be divided equally until the youngest attains age 18.....	\$ 50.00
Mrs. S. L. Desha.....	50.00
Brother Liborious Hengst.....	50.00
Minor children of Mrs. John Hoa, deceased, to be divided equally between them until the youngest attains age 18	50.00
Curtis P. Iaukea.....	250.00
Lum Sau.....	50.00
Robert Leo.....	35.00
Mrs. J. M. Camara.....	50.00
Mrs. Isabella Mossman.....	50.00
Mrs. Annie K. A. Neilsen.....	50.00
Edmund Norrie.....	25.00
Mrs. Gloria Swift.....	50.00
John H. Soper.....	150.00
Emma A. Taylor.....	50.00
Dr. Arthur Mouritz.....	75.00
Malika Peterson.....	15.00

(The last above pension of \$15.00 shall be paid to Malika Peterson in addition to any other pension paid to her.)

[Sec. 7936E.] Section 6. **Appropriation.** There is hereby appropriated out of the general revenues of the Territory for the period commencing with the date of the approval of this Act and ending June 30, 1939, for the expenses of the board of trustees of said Employees' Retirement System in carrying out the provisions of this Act, the sum of five hundred dollars (\$500.00).

[Sec. 7936F.] Section 7. **[Conditions.]** Any provision of this Act to the contrary notwithstanding, no pension shall be paid to any person named in sections 1 to 4, inclusive, of this Act, unless he shall be found by said board of trustees of said System: (a) to have had not less than ten years in the aggregate of service with or under the government of the Hawaiian Islands prior to the establishment of the government of the Territory of Hawaii,

or with or under the government of said Territory after its establishment as a Territory, or with or under any political or municipal subdivision of any such government, or with or under any or all of said governments and subdivisions; or (b) to have become incapable of sustained remunerative work through accident sustained without his fault or negligence in the performance of duty in his service for the county.

Section 8. This Act shall take effect upon its approval as to all provisions other than the actual payment of pensions thereunder, and shall take effect, as to the provisions for the actual commencement of payment and the payment of pensions, on July 1, 1937.

(Approved May 17, 1937.) H.B. 275, Act 236.

CHAPTER 260A. UNEMPLOYMENT COMPENSATION LAW.

[D-167] An Act to Establish a System of Unemployment Compensation; Providing for the Administration of Such System and for the Payment of Compensation to the Unemployed; Providing Revenues Therefor by Levying Charges and Contributions Upon Employers and Providing for the Collection Thereof; Establishing an Unemployment Compensation Board and County Commissions; Establishing Certain Funds and Accounts and Providing for Their Custody and Disbursement; to Provide for the Cooperation of the Territory and Compliance With the Provisions of the Social Security Act and the Wagner-Peyser Act Passed by the Congress of the United States of America; to Prescribe Penalties for the Violation of Provisions of this Act; and to Appropriate Monies for Carrying Out the Provisions of This Act.

Be it Enacted by the Legislature of the Territory of Hawaii:

UNEMPLOYMENT COMPENSATION LAW

PART I

Definitions

Section 1. Except where the context otherwise clearly indicates, the definitions hereinafter set forth shall govern the construction of the provisions of this Act.

Section 2. "County" shall be deemed to include the city and county of Honolulu.

Section 3. "Commission" means the county unemployment compensation commission created by this Act in each of the counties.

Section 4. "Board" means the territorial unemployment compensation board created by this Act.

Section 5. "Employment" means services, including services in interstate or foreign commerce, performed within the Territory for remuneration or under any contract of hire, expressed or implied, oral or written, except that for the purposes of this Act the term "employment" shall not include:

- (a) Agricultural labor;
- (b) Domestic service in a private home;
- (c) Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;
- (d) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;
- (e) Service performed in the employ of the United States government or of an instrumentality of the United States;
- (f) Service performed in the employ of the Territory, a political subdivision thereof, or an instrumentality of one or more states or territories or political subdivisions;
- (g) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 6. "Employee" means only a person who is or has been employed by an employer subject to this Act in an employment also subject to this Act.

Section 7. "Benefits" means the money allowance payable to an employee as compensation for his wage losses due to unemployment, as provided in this Act.

Section 8. "Wages" means all remuneration including commissions and bonuses for employment, including the cash value of all remuneration payable in any medium other than cash.

Section 9. "Total unemployment" means the condition caused by the inability of an employee, who is capable of and available for work, to obtain suitable employment, when such condition causes total loss of wages.

Section 10. "Partial unemployment" means any reduction in employment whereby the weekly income fails to exceed 120 per centum of the weekly benefit amount an employee would be entitled to receive if totally unemployed and eligible. The normal weekly wage is based on the number of hours per week most commonly worked in the preceding twelve months in the portion or division of the particular establishment or business in which the employee is employed, or such hours as were set by collective agreement between the employer and his employees. In computing weekly benefits under this section, compensation for personal services from all sources outside the definition of employment (as defined in section 5) shall be included, as well as compensation paid under the definition.

Section 11. "Seasonal employment" means any employment in which it is customary to operate because of climatic conditions or the seasonal nature of the employment only during the regularly recurring period or periods of less than an aggregate of twenty-six weeks duration in any calendar year.

It shall be the duty of the board from time to time to ascertain and determine or redetermine whether any particular employment is seasonal in nature and the seasonal period or periods for each such seasonal employment; provided that no employment shall be deemed to be seasonal unless:

(a) The seasonal period of unemployment occurs at substantially the same time in each year, or under similar conditions, and

(b) It has been customary in such seasonal employment not to operate during such seasonal period of unemployment in the three years prior to the time any such determination or redetermination is made. New industries may be declared seasonal if the facts so warrant.

The board shall, after fair notice and opportunity to be heard, prescribe fair and reasonable general rules applicable to seasonal workers, for determining the total number of weeks of employment required to qualify such workers for benefits, and the period during which benefits shall be payable to them. Such rules shall, with respect to such workers, supersede any inconsistent provisions of this Act, but so far as practicable, shall secure results reasonably similar to those provided in the analogous provisions of this Act.

Section 12. "Suitable employment" means work or self-employment which a commission or the board finds suitable considering the degree of risk involved to the employee's health, safety and morals, his physical fitness and prior training and experience, his length of unemployment and prospects for securing local work in

his customary occupation, and the distance of the available work from his residence.

Notwithstanding any other provisions of this Act, no work shall be deemed to be suitable employment, and benefits shall not be denied under this Act to any otherwise eligible individual for refusing to accept new work, under any of the following conditions:

(a) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(b) If the remuneration, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; or

(c) If as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

Section 13. "Calendar quarter" means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31.

Section 14. "Commissioner" or "tax commissioner" means the tax commissioner of the Territory of Hawaii and his duly constituted subordinates.

Section 15. "Employer" means any individual or type of organization, including any partnership, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which on or subsequent to January 1, 1937, has or had in its employment one or more individuals, for some portion of a day, but not necessarily simultaneously, in each of twenty different weeks, whether or not such weeks are or were consecutive, within the current or preceding calendar year.

Section 16. **Employers ceasing to be subject to Act.** Except as otherwise provided in section 17, an employer shall cease to be an employer subject to this Act only as of the first day of January of any calendar year, if he files with the board, prior to the fifteenth day of January of such year, a written application for termination of coverage, and the board finds that there were no twenty different days, each day being in a different week within the preceding calendar year, within which such employer employed one or more individuals in employment subject to this Act.

Section 17. **Election to become employer.** An employer, not otherwise subject to this Act, who files with the board his written election to become an employer subject hereto for not less than

two calendar years, shall, with the written approval of such election by the board, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval, and, shall cease to be subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if at least thirty days prior to such first day of January, he has filed with the board a written notice to that effect.

PART II

Administration

Section 18. **County unemployment compensation commission.** In each county in the Territory of Hawaii there is hereby created a county unemployment compensation commission.

The commission shall be composed of three members in each of the counties who shall be appointed by the governor in the manner prescribed in section 80 of the Organic Act, and the governor shall designate one member to serve as chairman of the commission.

The members of the commission shall serve as designated by the governor at the time of appointment, one for a term of two years, one for a term of three years, and one for a term of four years. At the expiration of such initial terms, appointments shall be made for a term of four years in each case. Any appointment to a vacancy shall be for the unexpired term in question. The commission shall appoint such officers and clerks as may be necessary and they shall hold office subject to the pleasure of the commission.

The members of the commission shall receive no compensation for their services as members of the commission, but they shall be entitled to the actual and necessary expenses incurred by them in discharging their official duties under this Act.

Section 19. **Unemployment compensation board.** The chairmen of the respective county unemployment compensation commissions are hereby designated as members of the territorial unemployment compensation board. In addition to the above four ex-officio members, the governor shall appoint in the manner prescribed in section 80 of the Organic Act three additional members from the Territory at large, one of whom shall be designated as chairman of the board. One of the members so appointed shall serve for a term of two years, one for a term of three years, and one for a term of four years. At the expiration of such initial terms, appointments shall be made for a term of four years in each case. Any appointment to a vacancy shall be for the unexpired term in question.

The members of the board shall receive no compensation for their services as members of the board, but they shall be entitled

to the actual and necessary expenses incurred by them in discharging their official duties under this Act.

Section 20. Eligibility for membership. No person shall be eligible for membership on the territorial unemployment compensation board or the county unemployment compensation commissions who occupies any elective position under the territorial or county government, and no member shall during his term of office serve as an officer or committee member of any political party organization, or present himself as a candidate of any political party for election to any public office.

Section 21. Duties and powers of territorial board. It shall be the duty of the board to administer this Act, and it shall have the power and authority to adopt, amend, or rescind such rules and regulations, to employ such persons, make such expenditures, require such reports, make such investigations, and take such other action as it deems necessary or suitable to that end. Such rules and regulations shall be effective upon publication in the manner, not inconsistent with the provisions of this Act, which the board shall prescribe, and such rules and regulations shall be complied with and be binding upon the county commissions. The board shall determine its own organization and methods of procedure in accordance with the provisions of this Act.

The board shall cause to be printed for distribution to the public the text of this Act, the board's regulations and general rules, and any other material the board deems relevant and suitable.

The board is authorized to appoint, fix the compensation subject to the approval of the governor, and prescribe the duties and powers of its officers, and other employees as may be necessary, and they shall hold office subject to the pleasure of the board.

The board shall establish minimum standards of training, experience and ability for personnel employed by the board and commissions and provide for the maintenance and enforcement of such personnel standards. The board shall act as appeal tribunal from any decision of a county commission.

Section 22. Duties and powers of county commissions. Subject to the administrative supervision of the territorial board, the county commissions shall make such rules and regulations, and employ such persons as may be necessary for the administration of this Act in their respective counties. Each commission shall cause to be maintained public employment offices in such number and in such locations as may be necessary to provide for the registration of the unemployed and to carry out other provisions of this Act. The county commission shall serve as an appeal tribunal to conduct hearings in matters of dispute brought before it and shall determine the duration of waiting periods as hereinafter provided,

and shall conform to all rules and regulations and perform all duties prescribed by the territorial board.

PART III

Benefits

Section 23. **Application for benefits.** Application for benefits shall be filed with the commission of the county in which the applicant was last employed or his place of residence. Applications shall be filed within such time and in such manner as the board prescribes.

If an application appears invalid to the commission with which it is filed, it shall disallow the application. If it appears valid, it shall determine the amount of benefits payable to the applicant while eligible and the date of the commencement of the payments of benefits. In either case it shall promptly notify the applicant in writing, and if disallowed give reason for such decision.

Section 24. **Payment of benefits.** Benefits shall be paid in accordance with such regulations as the board may prescribe through employment offices or such other agencies as the board, with the approval of the Social Security Board, may by regulation prescribe.

Section 25. **Appeals.** Any employee shall have the right to a fair hearing before a county commission on an appeal from any decision denying his claim for unemployment benefits or as to the validity or invalidity of his application, or as to the amount or duration of his weekly benefits, or any other matter of dispute. In addition the employee shall have the right of further appeal to the board from any decision of the county commission.

The board shall prescribe such method of procedure and manner of considering appeals as seems to it advisable and practicable to assure the employee of a fair hearing on such appeals and such hearing shall not be of a technical or involved nature. The procedure shall be calculated as far as practicable to procure the earliest decision consonant with proper investigation and consideration of the appeal, and shall provide for notice immediately upon the making of the decision by the board or commission.

The board may also, upon its own motion, review any decision made by a county commission. The board may make such additional investigation as it may deem necessary and shall make such decisions as to the amount and duration of weekly benefits as in its opinion are justified and in conformity with the terms and provisions of this Act. All decisions of the board shall be binding upon the commission involved and shall be complied with by such commission.

Section 26. Limitation of fees. No employee shall be charged fees of any kind in any proceeding under this Act by the board or commission or its representatives and no costs shall be awarded by a commission or the board on an appeal. Any individual claiming benefits in any proceeding before a commission or the board may be represented by counsel or other duly authorized agent; but no such counsel or agent shall either charge or receive for such services more than an amount approved by the commission or board and it shall in no case exceed ten per cent of the total amount of benefits received as a result of such appeal. Any person who violates any provision of this section shall, for each such offense, be fined not less than \$50.00 nor more than \$500.00 or imprisoned for not more than six months or both.

Section 26-A. Requirement to attend and testify at hearings. No person shall be excused from attending and testifying, or from producing books, papers, correspondence, memoranda and other records, before a commission or the board or any duly authorized representative of any of them, or in obedience to the subpoena of a commission or the board or the duly authorized representative of any of them, in any cause or proceeding before any of them or the duly authorized representative of any of them, on the grounds that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compelled, after having claimed his privilege against self incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Section 27. Employer's records. Every employer shall keep a true and accurate employment record of:

- (a) All his employees;
- (b) The time worked for him by each employee;
- (c) The wages, salaries or commissions paid by him to each employee; and
- (d) Such other information as the board deems necessary for the proper administration of this Act.

Every employer shall furnish to the commission or board, upon demand, a sworn statement of the matters in such records. Such records shall be open to inspection by the commission or board or their authorized representatives at any time during the business hours of the employer.

Section 28. Use of information; reports. Information obtained from any employer, whether or not subject to Part VI of this Act,

or from any individual pursuant to the administration of this Act, shall, except to the extent necessary for the proper presentation of a claim, be held confidential and shall not be published or open to public inspection (other than to public employees in the performance of their public duties) in any manner revealing such individual's or employer's identity, but any claimant (or his legal representative) at a hearing before the board or a commission shall be supplied with information from such records to the extent necessary for proper presentation of his claim. Such information may be tabulated and published in statistical form for the use and information of territorial departments and the public, except that the name of the employer or of any employee shall not be divulged in the course of such tabulation or publication.

In the administration of this Act, the board shall cooperate to the fullest extent with the provisions of this Act, with the Social Security Board, created by the Social Security Act, approved August 14, 1935, as amended; shall make such reports, in such form and containing such information as the Social Security Board may from time to time require, and shall comply with such provisions as the Social Security Board may from time to time find necessary to assure the correctness and verification of such reports; and shall comply with the regulations prescribed by the Social Security Board governing the expenditures of such sums as may be allotted and paid to this Territory under Title III of the Social Security Act for the purpose of assisting in the administration of this Act. The board shall also make available, upon request, to any agency of the United States government charged with the administration of public works or assistance through public employment, the following information relating to recipients of unemployment compensation:

- (a) The recipient's name;
- (b) The recipient's address;
- (c) The ordinary occupation and employment status of each such recipient of unemployment benefits;
- (d) A statement of such recipient's rights to further compensation under this Act; and
- (e) Such other information as shall be required by any such United States government agency.

Section 29. **Benefits payable.** Benefits shall become payable under this Act for unemployment occurring on and after January 1, 1939.

Section 30. **Qualification for benefits.** No employee shall be eligible for benefits unless, pursuant to this Act, he gives notification of unemployment in the county of his residence or last employment unless such notification is waived by the commission.

An employee is not eligible for benefits on account of either partial or total unemployment during any calendar week unless he is physically able to work and available for work whenever called on by his employer, or by the public employment office in the district in which the employee was last employed or in which he resides, with due notice to report for work.

An employee is not eligible for benefits who has not been employed at least thirteen weeks in the twelve months immediately preceding application for benefits.

Section 31. Total unemployment. An employee is deemed totally unemployed in any calendar week on account of which he has no wages payable to him. In such cases such unemployed individual is eligible for benefits for total unemployment for each week of total unemployment during which he is eligible occurring subsequent to the waiting period.

Section 32. Partial unemployment. An employee is deemed partially unemployed and eligible for benefits for partial unemployment during any calendar week following the waiting period whenever his wages paid for such week are less than 120 per centum of the amount of weekly benefits to which he would be entitled if totally unemployed.

Section 33. Waiting period. The waiting period, under this Act, except as otherwise provided, shall be three weeks after the cessation of employment before the commencement of the payments of benefits. No benefit shall be or become payable for this required waiting period, but in the event of subsequent unemployment in any twelve successive calendar months the waiting period shall be reduced to one week in order to establish his eligibility for unemployment benefits.

Section 34. Additional waiting period. The waiting period prescribed by section 33 shall not apply in the cases specified in this section and the waiting period shall be not less than five nor more than nine weeks as determined by the county commission:

(a) If the employee has lost his employment through misconduct; or

(b) If the employee has left his employment voluntarily without cause attributable to the employer.

Section 35. Ineligibility for benefits. An employee is not eligible for benefits for total or partial unemployment based on past weeks of employment, and no such benefits shall be payable to him under any of the following conditions:

(a) For any week with respect to which the individual is receiving or has received remuneration in the form of:

(1) Wages in lieu of notice, or any payment by way of compensation for the loss of wages ;

(2) Compensation for temporary partial disability under the Workmen's Compensation law of any state or the Territory or under a similar law of the United States ; or

(3) Old Age Benefits under Title II of the Social Security Act, as amended ; provided, that if such remuneration is less than the benefits which would otherwise be due under this Act, he shall be entitled to receive for such week if otherwise eligible, benefits reduced by the amount of such remuneration ;

(b) If he attended a school, college or university or similar institution of learning during the last preceding session thereof, and has been employed by his employer only during the customary vacation period of such institution ;

(c) If without good cause, he has refused to accept suitable employment when offered to him, or failed to apply for suitable employment when notified by the district public employment office until declared eligible by the commission ; or

(d) If he has not been a resident of this Territory for one year immediately preceding the beginning of unemployment, or has not been gainfully employed in the Territory for thirteen weeks within such one year period. Except that such disqualifications may be avoided whenever reciprocal arrangements are in effect with the proper authorities of other unemployment compensation systems.

Section 36. Reciprocal arrangements. Reciprocal arrangements may be made by the board with the proper authorities of other unemployment compensation systems, whereby persons who have acquired rights to benefits under one system, shall acquire similar rights to benefits with reciprocating systems. Such arrangements shall provide that substantially equivalent benefits shall be paid, or both paid and financed in whole or in part through or by the fund of the unemployment compensation system newly applicable to such person. Such reciprocal arrangements shall be published by the board in the same manner as its rules.

Section 37. Benefits in case of a labor dispute. An employee shall not be denied benefits for total or partial unemployment which is due to a stoppage of work which exists because of a labor dispute at the factory, establishment or other premises at which he is or was last employed if he is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work, and does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed at the premises at which the stoppage occurs, any of whom are participating in or financing

or directly interested in the dispute. If in any case separate branches of work, which are commonly conducted as separate businesses in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purpose of this section, be deemed to be a separate factory, establishment or other premises.

Section 38. Part-time employment. An employee who, for reasons personal to himself, is unable or unwilling to work usual full-time and who customarily works less than the full-time prevailing in his place of employment shall register as a part-time worker in such manner as the board shall prescribe. The time which such employee normally works in a calendar week shall be deemed his full-time employment and the wages which he earns in such week shall be deemed his full-time weekly wages.

Section 39. Duration of benefits. Benefits for total unemployment shall be paid to an eligible employee for a period determined by adding one-fourth of the number of weeks he was employed during the preceding 104 weeks for which taxes were paid to one-twentieth of the number of weeks he was employed during the preceding 260 weeks, provided that such employee shall not receive more than 15 weeks benefits in twelve consecutive months. Benefits for partial unemployment may be extended beyond the 15 weeks maximum until the employee has received for partial unemployment, or for partial and total unemployment combined, a sum equal to the benefits payable to him for 15 weeks of total unemployment.

Section 40. Amount of benefits. The normal average weekly wage of an applicant shall be the basis for computing benefits. Said normal average weekly wage shall be determined in accordance with regulations established by the board, but shall in no case be less than his average actual weekly wages during the time he has been employed within the twelve months preceding the date of his application.

The benefits to which eligible employees are entitled after the required waiting period are the following:

(a) For total unemployment, at a rate of fifty per centum of the average weekly wages but not more than fifteen dollars a week nor less than five dollars a week.

(b) For partial unemployment, the difference between the eligible employee's actual wages for the week, including wages received for employment not subject to this Act, and an amount equal to 120 per centum of the weekly benefits to which he would be entitled if totally unemployed and eligible.

Section 41. **Eligibility during excepted employment.** In any case where an employee accepts or secures employment not subject to this Act, the period during which he remains in such employment shall be excepted from any computation of benefits due under this Act, and all his right to benefits for total unemployment shall be suspended during the period of such excepted employment, but he may remain eligible for benefits for partial unemployment under the conditions specified in section 40 (b).

Section 42. **Reduction or cessation of benefits.** Whenever the board determines that, in view of existing or probable future conditions, the status of the fund is such that, within six months it will be unable to pay probable benefit liabilities in full, it may by board action, reduce or cease payment of such liabilities. Such reduction or cessation shall continue until changed by action of the board resuming full payment or otherwise changing such payment.

Section 43. **Change of rates.** Whenever the board believes that a change in contribution or benefit rates will become necessary to protect the solvency of the fund, it shall promptly so inform the governor and the legislature, and make recommendations with respect thereto.

PART IV

Public Employment Service

Section 44. **Public employment service.** The board shall establish a public employment service and the county commissions shall establish and maintain free public employment offices in such number and in such places as may be necessary for the proper administration of this Act and for the purpose of performing such duties as are within the purview of the Act of Congress, entitled "An Act to provide for the establishment of a national employment system and for cooperation with the states in the promotion of such system, and for other purposes," approved June 6, 1933. The territorial board shall cooperate with any official or agency of the United States having powers or duties under the provisions of the said Act of Congress, as amended, and do and perform all things necessary to secure to the Territory the benefits of said Act of Congress, as amended, in the promotion and maintenance of a system of public employment offices. The provisions of the said Act of Congress, as amended, are hereby accepted by the Territory, in conformity with section 4 of said Act, and the Territory shall observe and comply with the requirements thereof. The unemployment compensation board is hereby designated and constituted the agency of the Territory for the purposes of said Act. The board shall appoint such officers and employees as may be necessary.

PART V

Funds

Section 45. Unemployment compensation fund.

(a) There is hereby established in the treasury of the Territory as a special fund, separate and apart from all public monies or funds of the Territory, an unemployment compensation fund, which shall be administered by the unemployment compensation board exclusively for the purposes of this Act. All monies in the fund shall be mingled and undivided. This fund shall consist of:

(1) All taxes collected under this Act, together with any interest thereon collected pursuant to section 52 of this Act;

(2) All fines and penalties collected pursuant to the provisions of this Act;

(3) Interest earned upon any monies in the fund;

(4) Any property or securities acquired through the investment of monies belonging to the fund; and

(5) All earnings of such property or securities.

(b) The treasurer of the Territory is designated treasurer and custodian of the fund. All monies payable to the fund shall be forwarded to the treasurer of the Territory as provided in the laws governing the collection and deposit of public funds. Refunds payable pursuant to section 46 of this Act may be paid from the fund upon warrants drawn on the treasurer by the auditor supported by vouchers approved by the board, and all other remaining monies in the account exclusive of monies requisitioned from the unemployment trust fund shall be immediately deposited with the secretary of the treasury of the United States of America to the credit of the account of the Territory in the unemployment trust fund, established and maintained pursuant to section 904 of the Social Security Act, as amended.

(c) The treasurer shall from time to time, with the approval of the board, in accordance with regulations prescribed by the auditor, requisition from the unemployment trust fund the amounts, not exceeding the amounts standing to the Territory's account therein, as is necessary for the payment of benefits payable under provisions of this Act for a reasonable future period and such monies when received shall be deposited with the treasurer of the Territory to the credit of the proper fund. Such monies shall be used exclusively for benefit payments and shall be disbursed on warrants drawn on the treasurer by the auditor supported by vouchers approved by the board. Any balance of monies requisitioned from the unemployment trust fund which remains unclaimed or unpaid after the expiration of the period for which such sums were requisi-

tioned shall either be deducted from estimates for, and may be utilized for the payment of, benefits during succeeding periods, or, in the discretion of the board, shall be redeposited with the secretary of the treasury of the United States of America, to the credit of the Territory's account in the unemployment trust fund, as provided in sub-section (b) of this section.

The provisions of subsections (a), (b) and (c) to the extent that they relate to the unemployment trust fund, shall be operative only so long as such unemployment trust fund continues to exist, and so long as the secretary of the treasury of the United States of America continues to maintain for the Territory a separate account of all funds deposited therein by the Territory for benefit purposes, together with the Territory's proportionate share of the earnings of such unemployment trust fund, from which no state or other territory is permitted to make withdrawals. If and when such unemployment trust fund ceases to exist, or such separate account is no longer maintained, all monies, properties, or securities therein, to the credit of the unemployment compensation fund of the Territory, are returnable to the treasurer of the Territory of Hawaii who shall hold, invest, transfer, sell, deposit and release such monies, properties, or securities in a manner approved by the board in accordance with the provisions of this Act, provided, that such monies shall be invested in the following readily marketable classes of securities: bonds or other interest-bearing obligations of the United States of America, or other securities which may be acquired under the sinking fund laws of the Territory, provided, further, that such investment shall at all times be so made that all the assets of the fund shall always be readily convertible into cash when needed for the payment of benefits. The treasurer shall dispose of securities or other properties belonging to the unemployment compensation fund only under the direction of the board.

Section 46. **Refunds.** If not later than one year after the date on which any taxes or interest thereon became due, an employer who has paid such taxes or interest thereon shall make application for an adjustment thereof in connection with subsequent tax payments, or for a refund thereof because such adjustment cannot be made, and the board shall determine that such taxes or interest or any portion thereof was erroneously collected, the board shall allow such employer to make an adjustment thereof, without interest, in connection with subsequent tax payments by him, or if such adjustment cannot be made the board shall refund said amount, without interest, from the fund. For like cause and within the same period, adjustment or refund may be so made on the board's own initiative.

Section 47. **Public employment service funds.** All monies received by the Territory under the Act of Congress, entitled "An

Act to provide for the establishment of a national employment system and for cooperation with the states in the promotion of such system, and for other purposes", approved June 6, 1933, shall be paid into the territorial treasury and said monies together with monies appropriated by the Territory for public employment offices are hereby made available to the unemployment compensation board to be expended as provided by section 44 and by said Act of Congress. For the purpose of establishing and maintaining free public employment offices, the board is authorized to enter into agreements with any political subdivision of the Territory or with any private, non-profit organization, and as a part of any such agreement the board may accept monies, services, or quarters as a contribution to the employment service, and such monies shall be deposited with the treasurer of the Territory to be separately accounted for.

Section 48. Administration funds. All monies received by the Territory from the federal government for the purpose of administering this Act shall be deposited with the treasurer of the Territory and shall be disbursed upon warrant drawn by the auditor of the Territory supported by vouchers approved by the board. All monies in this fund shall be expended by the board in accordance with the regulations of the federal government, or any authorized agency thereof.

Section 49. Accounts. The territorial auditor is hereby authorized to prescribe and maintain such methods of accounting, not inconsistent with any requirement or regulation of the federal government, or any agency thereof, including the social security board and the United States employment service, designed for the purpose as he may deem necessary properly to carry out the provisions of this Act.

PART VI

Taxes

Section 50. Taxes when payable. On and after January 1, 1937, taxes payable to the unemployment compensation fund shall accrue and become payable by every employer subject to this Act, and in accordance with its provisions. Thereafter, taxes shall accrue and become payable by any employer on and after the date on which he becomes subject to this Act.

Section 51. Rates of taxes. Every such employer shall pay into the unemployment compensation fund the following amounts:

(a) During the year 1937, with respect to payments of wages made during that year, one and eighty one-hundredths per centum of all wages payable by him in employments subject to this Act.

(b) During the year 1938 and thereafter, with respect to payments of wages made during that year and thereafter, two and seventy one-hundredths per centum of all wages payable by him in employments subject to this Act.

Section 52. Imposition of tax. Each employer subject to this Act before the twentieth day of each month shall make a full, true and correct return with respect to the payment of wages for employment subject to this Act during the preceding month and there is hereby levied, and shall be paid to and collected by the tax commissioner, such taxes as are herein provided.

The tax commissioner, in his discretion, upon application by an employer, may permit an employer to make returns and payments of taxes on a calendar quarterly basis and such returns and payments shall be made on or before the twentieth day of the month following each quarter.

Section 53. Collection of taxes by assumpsit or distraint; concurrent jurisdiction of district magistrates. Any tax which is delinquent under this Act may be collected:

(a) By action in the name of the commissioner or any collector or deputy collector of taxes, in assumpsit, with or without attachment of the real or personal property of the taxpayer, and it shall be unnecessary, in order to secure the issuance of the writ of attachment, for the officer bringing such action to file any affidavit, other than the usual sworn complaint in ordinary assumpsit actions where no attachment is sought, with a prayer for such writ; in such actions the several district magistrates shall have concurrent jurisdiction with the circuit courts, irrespective of the amount claimed.

(b) The tax commissioner may distrain upon any goods, chattels or intangibles represented by negotiable evidences of indebtedness, of any employer delinquent under this Act for the amount of all taxes and penalties accrued and unpaid hereunder. The commissioner may require the assistance of the sheriff of any county or city and county in which such sheriff is an officer. All taxes and penalties so collected shall be reported within ten days after collection to the tax commissioner, who shall prescribe by general regulation the manner of remittance of such funds and of allowing the collecting officer the compensation due him under this section.

Section 54. Penalty for delinquency. A penalty of ten per centum shall be added to the amount of all delinquent taxes, whether the delinquency is caused by failure to pay the tax or to file return, or because of false or fraudulent return, which penalty shall become a part of the tax and shall be collected as such. Any delinquent tax and penalty remaining unpaid fifteen days after the date of delinquency shall bear interest from the date of delinquency at the rate of two-thirds of one per centum for each month or frac-

tion of a month until paid, which interest shall become a part of the tax and shall be collected as such.

Section 55. **Merit rating plan.** The board shall, beginning 1942, classify employers in accordance with the actual experience with regard to the taxes which they have paid in their own behalf and the benefits which the unemployment fund has paid to their employees, or to employees whose benefits are chargeable against such employers.

The board shall make a study of the employment records of employers taxable under this Act, the amounts of taxes payable by them, the probable amounts of benefits annually payable to eligible employees and other features of the operation of this Act and report thereon to the 1939 session of the legislature, recommending reduced tax rates for employers when the taxes of any employer shall have exceeded certain specified percentages of his annual payroll.

Section 56. **Records of accounts.** The board shall keep separate records of the amounts paid into the fund by each employer in his own behalf, and those chargeable to him as benefits; but nothing in this Act shall be construed to grant any employer or his employees prior claims or rights to the amount contributed by him to the fund, either on his own account or on behalf of his employees. The amount of employers' taxes shall be pooled and available to pay benefits to any employee entitled to benefits under the provisions of this Act regardless of the source of such taxes.

Section 57. **Investigation of unemployment hazard.** The board shall investigate and report upon the degree of unemployment hazard in various industries and occupations and shall recommend to employers in industries or occupations showing an unusual unemployment hazard means for stabilizing employment. It shall also, if necessary, recommend to the legislature a higher rate of tax for any classification of industries or occupations in which unemployment is excessive or chronic.

PART VII

General Provisions

Section 58. **Waiver of rights void.** No agreement by an individual to waive, release or commute his rights to benefits or any other rights under this Act shall be valid. No agreement by an employee or by employees to pay all or any portion of an employer's taxes, required under this Act from such employer, shall be valid. No employer shall directly or indirectly make or require or accept any deduction from wages to finance the employer's taxes

required from him, or require or accept any waiver by an employee of any right hereunder. Any employer or officer or agent of an employer who violates any provision of this section shall, for each offense, be fined not less than \$100.00 nor more than \$1,000.00 or be imprisoned for not more than six months or both.

Section 59. **No assignment of benefits, exemptions.** No assignment, pledge or encumbrance of any right to benefits which are or may become due or payable under this Act shall be valid; and such rights to benefits shall be exempt from levy, execution, attachment, garnishment, or any other remedy whatsoever provided for the collection of debt. No waiver of any exemption provided for in this section shall be valid.

Section 60. **Felony.** It shall be a felony for any member of a commission or the board or any officer or employee of the unemployment compensation board or commission to divulge any information secured by him in the course of such employment in respect to the transactions, property or business, or mechanical, chemical or other industrial processes of any employer, to any person outside the employ of and membership of the board or a commission, and upon conviction thereof shall be fined not more than \$1,000.00 or be imprisoned for not more than ten years or both.

Section 61. **Misdemeanor.** It shall be a misdemeanor:

(a) Wilfully to make a false statement or representation to obtain any benefit or payment under the provisions of this Act, whether for the maker or for any other person, or for the purpose of lowering any tax required of the maker or any other person;

(b) Wilfully and unlawfully to fail to appear or to testify or to produce books, papers and records, required at any hearing under this Act;

(c) On the part of an employer, whether or not subject to Part VI of this Act, wilfully and unlawfully to fail or neglect to open his employment record to the inspection of the board or its authorized representative at any reasonable time during business hours;

(d) On the part of an employer, whether or not subject to Part VI of this Act, wilfully and unlawfully to fail or neglect to make such statement of the records of individuals in his employ as the board or its authorized representative shall require when necessary for the enforcement of this Act;

(e) On the part of any person wilfully to violate any provision of this Act or any order, rule or regulation thereunder, violation of which is made unlawful or the observance of which is required under the terms of this Act and for which a penalty is neither prescribed herein nor provided by any other applicable statute.

Upon conviction thereof any person shall be fined not more than \$500.00, or be imprisoned for not more than one year, or both.

Section 62. **Fines.** All fines collected for violations of the provisions of this Act shall be paid into the territorial treasury to the credit of the unemployment compensation fund.

Section 63. **Separability of provisions.** If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision, to other persons or circumstances shall not be affected thereby.

Section 64. **Non-liability of Territory.** Benefits shall be deemed to be due and payable under this Act only to the extent provided in this Act, and to the extent that monies are available therefor to the credit of the unemployment compensation fund and the territorial board or county commission shall not be liable for any amount in excess of such sums.

Section 65. **Saving clause.** The legislature reserves the right to amend or repeal all or any part of this Act at any time; and there shall be no vested private right of any kind against such amendment or repeal. All the rights, privileges, or immunities conferred by this Act or by acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal this Act at any time.

Section 66. **Oaths and witnesses.** In the discharge of its duties under this Act, the board or a duly authorized representative of the board shall have power to administer oaths to persons appearing before it, take depositions, certify to official acts, and by subpoenas (requested by the board of and served by the officer of the circuit court having jurisdiction of the parties) to compel attendance of witnesses and the production of books, papers, documents, and records necessary or convenient to be used by it in connection with any disputed claim. Witness fees and other expenses involved in proceedings under this section shall be paid to the extent necessary, at rates specified by general board rules, from the unemployment administration fund.

Section 67. **Change of definition.** If at any time the Act of Congress approved August 14, 1935, known as the Social Security Act, shall be amended with respect to the definition of employment in section 907 (c) thereof, this Act shall be deemed to be likewise amended and the definition of employment, section 5 of this Act, shall thereafter conform to such amendment to the Social Security Act.

Section 68. **Effectiveness if federal Act inoperative.** If the tax imposed by Title IX of the federal Social Security Act, or any amendments thereto, or any other federal tax against which taxes under this Act may be credited shall, for any cause, become inoperative, thereby precluding the taxes required under this Act from being credited against such federal tax, then this Act by virtue of that fact shall be suspended, and any unobligated funds in the unemployment compensation fund and returned to the Territory by the United States treasurer because such federal Social Security Act is inoperative shall after six months be refunded to the taxpayers under this Act proportionately to the amounts computed by subtracting from the payments made by each such taxpayer the total amount of benefits chargeable to his payments.

Section 69. **Appropriations.** There is hereby appropriated out of the general revenues of the Territory the sum of \$20,000.00 to be immediately available and to cover the period from the effective date of this Act until July 1, 1939 for the purpose of maintaining public employment offices throughout the Territory which shall be used for the matching of funds which may be allotted to the Territory under the Act of Congress, entitled "An Act to provide for the establishment of a national employment system and for cooperation with the states in the promotion of such system, and for other purposes", approved June 6, 1933.

The sum of \$2,000.00, or so much thereof as may be necessary, is hereby appropriated as a loan to the unemployment compensation board until such time as monies are received by the Territory under Title III of the Social Security Act. Said sum shall be immediately available upon the taking effect of this Act. Upon receipt of such monies the total sum expended under this appropriation shall be repaid to the general fund of the Territory.

Section 70. **Effective date.** This Act shall be effective as of January 1, 1937, if approved by the governor and the Social Security Board, except only that returns and payments due from employers for the months preceding such approval shall be made during the calendar month next following that in which such approval is given.

(Approved May 18, 1937.) H.B. 303, Act 243.

CHAPTER 262A. HAWAII HOUSING AUTHORITY.

[D-168] An Act to Amend Act 190 (Series D-168) of the Session Laws of Hawaii 1935, as Amended by Act 3 of the Session Laws of Hawaii 1937, Relating to the Creation of the Hawaii Housing Authority and Providing for its Powers and Duties, by Amending Sections 11 and 13 Thereof and by Adding Thereto Three New Sections to be Numbered Sections 24, 25 and 26, Relating to the Form, Sale and Security of Bonds of the Hawaii Housing Authority, Limitations on the Renting of Dwelling Accommodations to Persons of Low Income, and Certain Additional Powers and Duties of the Hawaii Housing Authority.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Act 190 of the Session Laws of Hawaii 1935, as amended by Act 3 of the Session Laws of Hawaii 1937, is hereby amended by amending section 11 thereof to read as follows:

[Sec. 7978J.] "Sec. 11. **Bonds.** The authority may with the approval of the governor issue bonds (including refunding bonds for the purpose of paying or retiring bonds previously issued by the authority) from time to time in such amounts as it may deem advisable for any of its corporate purposes; provided that, except for issues of bonds to be sold in whole or in part to the federal government, no bonds shall be issued by the authority until such action is approved by the president of the United States. The authority may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable: (a) exclusively from the income and revenues of the housing project financed with the proceeds of such bonds, or with such proceeds together with a grant from the federal government in aid of such project; (b) exclusively from the income and revenues of certain designated housing projects whether or not they were financed in whole or in part with the proceeds of such bonds; or (c) from its revenues generally. Any of such bonds may be additionally secured by a pledge of any revenues or a mortgage of any housing project, projects or other property of the authority.

Neither the commissioners of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof."

Section 2. Act 190 of the Session Laws of Hawaii 1935, as amended by Act 3 of the Session Laws of Hawaii 1937, is further amended by amending section 13 thereof to read as follows:

[**Sec. 7978L.**] “**Sec. 13. Form and sale of bonds.** The bonds of the authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, not exceeding sixty years from the date thereof, bear interest at such rate or rates, not exceeding six per centum (6%) per annum, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms or redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

The bonds may be sold at not less than par at public sale held after notice published once at least five days prior to such sale in a newspaper having a general circulation in the Territory, provided, however, that such bonds may be sold at not less than par to the federal government at private sale without any public advertisement.

In case any of the commissioners or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this act shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforcement of any bond of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a housing project to provide dwelling accommodations for persons of low income shall be conclusively deemed to have been issued for a housing project of such character and said project shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of this Act.”

[**Sec. 13. (Sec. 7978L)** also amended by Act 3, pages 318-319.]

Section 3. Act 190 of the Session Laws of Hawaii 1935, as amended by Act 3 of the Session Laws of Hawaii 1937, is further amended by adding thereto three new sections to be numbered sections 24, 25 and 26, and to read as follows:

[**Sec. 7978W.**] “**Sec. 24. Additional powers.** The authority, in addition to its other powers, shall have power (notwithstanding anything to the contrary contained in this Act or in any other provision of law):

(a) to include in any construction contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project.

(b) to procure or agree to the procurement of insurance or guarantees from a government of the payment of any debts or parts thereof incurred by the authority, including the power to pay premiums on any such insurance.

(c) to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled.

[Sec. 7978X.] Sec. 25. **Operation not for profit.** It is hereby declared to be the policy of this Territory that the authority (acting directly or by an agent or agents) shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations, and that the authority shall not construct or operate any such project for profit, or as a source of revenue to the Territory. To this end the authority shall fix the rentals for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived) will be sufficient (a) to pay, as the same become due, the principal and interest on the bonds of the authority; (b) to meet the cost of, and to provide for, maintaining and operating the projects (including the cost of any insurance) and the administrative expenses of the authority; and (c) to create (during not less than the six years immediately succeeding its issuance of any bonds) a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any one year thereafter and to maintain such reserve.

[Sec. 7978Y.] Sec. 26. **Rentals and tenant selection.** In the operation or management of housing projects the authority (acting directly or by an agent or agents) shall at all times observe the following duties with respect to rentals and tenant selection:

(a) It shall not accept any person as a tenant in any dwelling in a housing project if the persons who would occupy the dwelling have an aggregate annual income which equals or exceeds the amount which the authority determines (which determination shall be conclusive) to be necessary in order to enable such persons to secure safe, sanitary and uncongested dwelling accommodations within the area of operation of the authority and to provide an ade-

quate standard of living for themselves. (b) It may rent or lease the dwelling accommodations therein only at rentals within the financial reach of persons who lack the amount of income which it determines (pursuant to (a) of this section) to be necessary in order to obtain safe, sanitary and uncongested dwelling accommodations within the area of operation of the authority and to provide an adequate standard of living. (c) It may rent or lease to a tenant a dwelling consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding.

Nothing contained in Act 190 of the Session Laws of Hawaii 1935, as hereby amended, shall be construed as limiting the power of an authority: (a) To vest in an obligee the right, in the event of a default by the authority, to take possession of a housing project or cause the appointment of a receiver thereof, free from all the restrictions imposed by said law, as amended, with respect to rentals, tenant selection, manner of operation, or otherwise; or (b) to vest in obligees the right, in the event of a default by the authority, to acquire title to a housing project or the property mortgaged by the housing authority, free from all the restrictions imposed by said law, as amended, except those imposed by section 16."

Section 4. Notwithstanding any other evidence of legislative intent, it is hereby declared to be the controlling legislative intent that if any provisions of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Section 5. Insofar as the provisions of this Act are inconsistent with the provisions of any other law, the provisions of this Act shall be controlling.

Section 6. This Act shall take effect immediately upon the enactment of legislation by the Congress of the United States enabling the Legislature of the Territory of Hawaii to authorize the issuance of bonds of such character and in such manner as is provided in this Act.

(Approved May 8, 1937.) **S.B. 376, Act 179.**

[D-169] An Act to Amend Chapter 262-A, Revised Laws of Hawaii 1935, as Enacted by Act 190 (Series D-168), Session Laws of Hawaii 1935, by Amending Section 7978-L Thereof, Relating to the Form and Sale of Bonds Issued by Hawaii Housing Authority.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Chapter 262-A, Revised Laws of Hawaii 1935, as enacted by Act 190 (Series D-168), Session Laws of Hawaii 1935, is hereby amended by amending Section 7978-L, thereof, to read as follows:

“(Sec. 7978L.) Section 13. **Form and sale of bonds.** The bonds of the Authority shall be authorized by its resolution and shall be issued in one or more series and shall bear such date or dates, mature at such time or times, not exceeding sixty years from their respective dates, bear interest at such rate or rates, be in such denominations (which may be made interchangeable), be in such form, either coupon or registered, carry such registration privileges, be executed in such manner and by such persons, be payable in such medium of payment at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution or the mortgage of the authority may provide.

“The bonds may be sold at public sale held after notice published once at least ten days prior to such sale in a newspaper having a general circulation in the Territory, provided, however, that such bonds may be sold to the Federal Government at private sale without any public advertisement. The bonds may be sold at such price or prices as the authority shall determine provided that the bonds shall not be sold at less than par and accrued interest.

“Pending the authorization, preparation, execution or delivery of definitive bonds, the authority may issue interim certificates, or other temporary obligations to the purchaser of such bonds. Such interim certificates, or other temporary obligations, shall be in such form, contain such terms, conditions and provisions, bear such date or dates, and evidence such agreements relating to their discharge or payment or the delivery of definitive bonds as the authority may by resolution or mortgage determine.

“In case any of the officers whose signatures appear on any bonds or coupons shall cease to be such officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery.

“The authority shall have power out of any funds available therefor to purchase any bonds issued by it at a price not more

than the principal amount thereof and the accrued interest; provided, however, that bonds payable exclusively from the revenues of a designated project or projects shall be purchased only out of any such revenues available therefor. All bonds so purchased shall be cancelled. This paragraph shall not apply to the redemption of bonds.

“Any provision of any law to the contrary notwithstanding, any bonds, interim certificates, or other obligations issued pursuant to this Act shall be fully negotiable.” [L. 1935, c. 190, s. 13; am. L. 1937, c. 3, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved March 12, 1937.) **H.B. 41, Act 3.**

CHAPTER 262-B. HAWAII EQUAL RIGHTS COMMISSION.

[D-170] An Act to Amend Act 212, Series D-169, of the Session Laws of Hawaii 1935, Relating to the Hawaii Equal Rights Commission.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Act 212, Series D-169, of the Session Laws of Hawaii 1935, is hereby amended by inserting, after the “comma”, in the fifth line of section 3 thereof, the following: “and the sum of ten thousand dollars (\$10,000.00) is hereby appropriated from the same source and for the same purpose, for the 1937-1939 biennium,”.

Section 2. This Act shall take effect upon its approval.

(Approved May 11, 1937.) **S.B. 392, Act 204.**

Title XXVII. BOND ACTS AND SINKING FUNDS.

CHAPTER 266. SINKING FUNDS FOR REDEMPTION OF TERRITORIAL BONDS.

[E-171] An Act to Amend Section 8030 of the Revised Laws of Hawaii 1935, Relating to the Sinking Fund for the Redemption of Territorial Bonds.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 8030 of the Revised Laws of Hawaii 1935 is hereby amended to read as follows:

"Sec. 8030. Sinking fund for term bonds; special reserve for refunding serial bonds; how made; deficits; reports. The treasurer of the Territory is authorized, empowered and required to establish as a special deposit in the treasury of the Territory, a sinking fund with which to pay any present or future bonded indebtedness of the Territory, exclusive, however, of serial bonds, the payment of which is spread equally over a period of twenty-five years from a definite date after the date of issue of such bonds, and on the second interest-paying date of any territorial bond issue hereafter made, whether the same is a refunding bond issue or otherwise, on the same date each year thereafter until the maturity date of such issue, he shall transfer from the general fund of the Territory or any other funds provided by law for such purpose, and deposit to the credit of the sinking fund such a sum of money that the aggregate of such sums of money so annually deposited with interest thereon, will, compounded annually, at the rate of four per centum, amount, at the expiration of the term for which the bonds are issued, to the full face value thereof. Provided, however, that where such term bonds have been or are hereafter refunded by the issuance of serial bonds, there shall be transferred to a special reserve in the sinking fund for the redemption of said refunding serial bonds such amounts as shall have been deposited and accumulated in the sinking fund, together with interest earnings thereon, on account of the term bonds so refunded; provided, further, that all subsequent and future transfers or deposits of the sums of money herein provided to be transferred or deposited to the credit of the sinking fund, on account of the term bonds so refunded, shall be transferred or deposited, in the manner herein provided, to the credit of the said special reserve for redemption of the said refunding

serial bonds. Such sums so transferred and deposited shall be used for the redemption of the said refunding serial bonds as they become due.

The treasurer shall also deposit to the credit of the sinking fund, immediately upon the receipt thereof, all compensation received from any of the counties or municipal divisions of the Territory in payment for public improvements transferred by the Territory to the counties or municipal subdivisions of the Territory.

The treasurer shall also deposit to the credit of the sinking fund, immediately upon the receipt thereof, all proceeds from the sale of public lands, not otherwise disposed of in accordance with law.

Except as otherwise provided by this section or this subtitle, such sums so deposited as aforesaid, shall be used for the redemption or purchase of any outstanding term bonds or refunding serial bonds of the Territory and shall not be held exclusively for the redemption or payment of the bonds used as a basis for the annual deposits, provided, however, that any bonds so redeemed or purchased shall be held alive until maturity.

The auditor of the Territory shall open and keep in his books a separate and special account of the sinking fund, which shall be known as the sinking fund account and which shall at all times show the exact conditions thereof. The auditor of the Territory shall also open and keep in his books a separate and special account in such sinking fund of the aforesaid reserve, which shall be known as the reserve for redemption of refunding serial bonds and which shall at all times show the exact condition thereof." [L. 1907, c. 97, s. 1; am. L. 1909, c. 121, s. 1; am. L. 1927, c. 247, s. 1; am. L. 1932, 2d, c. 54, s. 1; R. L. 1935, s. 8030; am. L. 1937, c. 238, s. 1.]

Section 2. This Act shall take effect upon July 1, 1937.

(Approved May 17, 1937.) **S.B. 350, Act 238.**

CHAPTER 267-A. THE REVENUE BOND ACT OF 1935.

[E-172] An Act Amending Act 174 of the Session Laws of 1935 Being the Revenue Bond Act of 1935 by Extending the Term Thereof for Two Years.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 17 of the revenue bond act of 1935, being act 174 of the session laws of 1935, is hereby amended to read as follows:

[Sec. 8066 P.] "Section 17. **Termination of Power to Issue Bonds.** Except in pursuance to any contract or agreement theretofore entered into by any municipality, no municipality shall borrow any money or deliver any bonds pursuant to this act to the purchaser or purchasers thereof after June 30, 1939." [L. 1935, c. 174, s. 17; am. L. 1937, c. 23, s. 1.]

Section 2. This Act shall take effect upon its approval.

(Approved April 10, 1937.) H.B. 99, Act 23.

CHAPTER 267-B. APPROPRIATIONS, GENERAL.

[E-173] An Act Making Appropriations Out of the General Revenues for the Biennial Period Ending June 30, 1939.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the following sums, or so much thereof as may be necessary, respectively, are hereby appropriated for the objects and purposes hereinafter specified for the biennial period ending June 30, 1939, out of the moneys in the treasury received from general revenues:

GENERAL GOVERNMENT

Publication Session Laws of Hawaii..	\$	7,500.00
<i>A.</i> Personal Services	\$	1,000.00
<i>B.</i> Other Current Expenses.....		6,500.00
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Governor's Office and Washington Place		42,872.00
<i>B.</i> Other Current Expenses.....		42,872.00
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To be expended at the discre- tion of the Governor		
Auditor's Office		141,228.00
<i>A.</i> Personal Services	123,728.00	
Auditor	14,400.00	
Deputy Auditor ...	12,960.00	
Other Personal Services	96,368.00	
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<i>B.</i> Other Current Expenses.....	16,000.00	
<i>C.</i> Equipment	1,500.00	
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Treasurer's Office		66,867.00
<i>A.</i> Personal Services	54,507.00	
Treasurer	14,400.00	
Other Personal Services	40,107.00	
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<i>B.</i> Other Current Expenses.....	11,495.00	
<i>C.</i> Equipment	865.00	
<hr/>		
Taxation Maps Bureau.....		53,274.00
<i>A.</i> Personal Services	45,324.00	
<i>B.</i> Other Current Expenses.....	7,200.00	
<i>C.</i> Equipment	750.00	
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Tax Commissioner		806,941.00
<i>A.</i> Personal Services	619,441.00	
Tax Commissioner.	14,400.00	
Other Personal Services	605,041.00	
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<i>B.</i> Other Current Expenses.....	123,000.00	
Litigation Expenses	5,000.00	
<i>C.</i> Equipment	59,500.00	
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Boards of Review.....		25,000.00
<i>B.</i> Other Current Expenses.....	25,000.00	
Bureau of the Budget.....		48,200.00
<i>A.</i> Personal Services	38,700.00	
Director	15,000.00	
Other Personal Services	23,700.00	
<i>B.</i> Other Current Expenses.....	6,100.00	
Revolving Fund for Division of Supplies	2,500.00	
<i>C.</i> Equipment	900.00	
Public Debt Service.....		11,075.00
<i>B.</i> Other Current Expenses.....	11,075.00	
Attorney General's Office.....		106,793.00
<i>A.</i> Personal Services	92,043.00	
Attorney General	19,800.00	
Assistant Attorney General	14,400.00	
Deputy Attorney General	10,800.00	
Deputy Attorney General	9,600.00	
Deputy Attorney General	6,840.00	
Deputy Attorney General	6,840.00	
Other Personal Services	23,763.00	
<i>B.</i> Other Current Expenses.....	10,000.00	
<i>C.</i> Equipment	4,750.00	
Secretary of Hawaii.....		29,290.00
<i>A.</i> Personal Services	23,100.00	
<i>B.</i> Other Current Expenses.....	2,700.00	
"Star-Annotation Service" 1937	1,800.00	
<i>C.</i> Equipment	1,690.00	
Expenses, Hawaiian Birth Registration		600.00
<i>A.</i> Personal Services	600.00	

GENERAL APPROPRIATION ACT.

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Supreme Court		75,517.00
A. Personal Services	31,967.00	
B. Other Current Expenses.....	34,550.00	
C. Equipment	9,000.00	
District Court of Kalawao.....		1,950.00
A. Personal Services	1,800.00	
B. Other Current Expenses.....	150.00	
Expenses of Elections.....		35,692.00
A. Personal Services	22,408.00	
B. Other Current Expenses.....	8,680.00	
C. Equipment	4,604.00	
Superintendent of Public Works.....		35,651.00
A. Personal Services	28,561.00	
Superintendent ...	14,400.00	
Other Personal Services	14,161.00	
B. Other Current Expenses.....	6,590.00	
C. Equipment	500.00	
Public Buildings and Grounds Service.		104,554.00
A. Personal Services	87,054.00	
B. Other Current Expenses.....	13,500.00	
C. Equipment	4,000.00	
Structures, Additions, Maintenance, Repairs to and Tearing down or removal of Government Property (including Airports, Armories, War Memorials) and Improve- ments to Grounds.....		114,568.00
A. Personal Services	24,018.00	
B. Other Current Expenses.....	70,700.00	
C. Equipment	19,850.00	
Motor Vehicles ...	2,400.00	
Structures and Per- manent Improve- ments Kahului Fairgrounds	10,000.00	
Other Equipment..	7,450.00	
<i>Total: General Government.....</i>		<u>\$ 1,707,572.00</u>

PROTECTION TO PERSONS AND PROPERTY

National Guard		97,233.00
<i>A.</i> Personal Services	45,233.00	
Adjutant General..	10,800.00	
Other Personal Services	34,433.00	
<i>B.</i> Other Current Expenses.....	32,000.00	
<i>C.</i> Equipment	20,000.00	
<p>Provided that of the amount appropriated for "Other Current Expenses", the sum of \$500.00 and \$1,000.00 shall be allocated for inter-island travel by the Commanding Officer of the 298th Infantry and the Commanding Officer of the 299th Infantry, respectively; and provided, further, that of the amount appropriated for "Other Current Expenses", the sum of \$500.00 shall be allocated to meet incidental expenses of rifle teams sent to mainland rifle matches.</p>		
Deputy Bank Examiner.....		82,854.00
<i>A.</i> Personal Services	72,054.00	
<i>B.</i> Other Current Expenses.....	10,000.00	
<i>C.</i> Equipment	800.00	
Industrial Accident Board, Honolulu..		22,134.00
<i>A.</i> Personal Services	18,484.00	
<i>B.</i> Other Current Expenses....	2,900.00	
<i>C.</i> Equipment	750.00	
Industrial Accident Board, Hawaii...		3,895.00
<i>A.</i> Personal Services	3,220.00	
<i>B.</i> Other Current Expenses.....	575.00	
<i>C.</i> Equipment	100.00	
Industrial Accident Board, Maui.....		5,100.00
<i>A.</i> Personal Services	3,800.00	
<i>B.</i> Other Current Expenses.....	1,300.00	

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Industrial Accident Board, Kauai....		1,360.00
A. Personal Services	1,200.00	
B. Other Current Expenses.....	160.00	
	<hr/>	
Bureau of Conveyances.....		127,853.00
A. Personal Services	106,878.00	
B. Other Current Expenses.....	17,760.00	
C. Equipment	3,215.00	
	<hr/>	
Office of the Commissioner of Public Lands and Survey Department.....		227,767.00
A. Personal Services	185,967.00	
Commissioner of Public Lands and Surveyor	14,400.00	
Other Personal Services	171,567.00	
	<hr/>	
B. Other Current Expenses.....	35,000.00	
C. Equipment	6,800.00	
	<hr/>	
Motor Vehicles ...	3,800.00	
Other Equipment..	3,000.00	
	<hr/>	
Land Court		35,620.00
A. Personal Services	33,120.00	
B. Other Current Expenses.....	2,200.00	
C. Equipment	300.00	
	<hr/>	
<i>Total: Protection to Persons and Property</i>		<u>\$603,816.00</u>

CONSERVATION OF HEALTH AND SANITATION

General Administration—		
Board of Health		69,768.00
A. Personal Services	58,518.00	
President	14,400.00	
Other Personal Services	44,118.00	
	<hr/>	
B. Other Current Expenses.....	7,500.00	
C. Equipment	3,750.00	
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GENERAL APPROPRIATION ACT.

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Motor Vehicles....	1,000.00	
Other Equipment..	2,750.00	
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Bureau of Vital Statistics.....		33,268.00
<i>A.</i> Personal Services	25,018.00	
<i>B.</i> Other Current Expenses.....	7,500.00	
<i>C.</i> Equipment	750.00	
<hr/>		
Bureau of Public Health Nursing....		252,727.00
<i>A.</i> Personal Services	206,777.00	
<i>B.</i> Other Current Expenses.....	35,500.00	
<i>C.</i> Equipment	10,450.00	
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Motor Vehicles....	8,650.00	
Other Equipment..	1,800.00	
<hr/>		
Tuberculosis: Private Hospitals.....		810,000.00
<i>F.</i> Grants, Subsidies and Contributions	810,000.00	
<hr/>		
Leahi Home	320,000.00	
Kula Sanatorium... ..	170,000.00	
Samuel Mahelona Memorial Hospital	120,000.00	
Puumaile Home ..	200,000.00	
<hr/>		
Tuberculosis Bureau		33,389.00
<i>A.</i> Personal Services	23,089.00	
<i>B.</i> Other Current Expenses.....	10,000.00	
<i>C.</i> Equipment	300.00	
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Plague Campaign		122,701.00
<i>A.</i> Personal Services	74,610.00	
<i>B.</i> Other Current Expenses.....	31,000.00	
<i>C.</i> Equipment	8,091.00	
Motor Vehicles ...	5,060.00	
Other Equipment..	3,031.00	
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<i>E.</i> Structures and Permanent Improvements to Land.....	9,000.00	
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Buildings	7,500.00	
Grading	1,500.00	
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GENERAL APPROPRIATION ACT.

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Bureau of Communicable Diseases...		65,717.00
A. Personal Services	39,185.00	
B. Other Current Expenses.....	24,000.00	
C. Equipment	2,532.00	
	<hr/>	
Motor Vehicles....	837.00	
Other Equipment..	1,695.00	
	<hr/>	
Board of Hospitals and Settlement		
General Administration		59,346.00
A. Personal Services	55,346.00	
B. Other Current Expenses.....	3,700.00	
C. Equipment	300.00	
	<hr/>	
Kalaupapa Settlement		616,584.00
A. Personal Services	168,924.00	
B. Other Current Expenses.....	407,880.00	
C. Equipment	16,500.00	
Motor Vehicles....	3,500.00	
Other Equipment..	13,000.00	
	<hr/>	
F. Fixed Charges	23,280.00	
	<hr/>	
Contribution to In-		
mates	23,280.00	
	<hr/>	
Kalihi Hospital		193,003.00
A. Personal Services	75,083.00	
B. Other Current Expenses.....	107,920.00	
C. Equipment	5,000.00	
F. Fixed Charges	5,000.00	
	<hr/>	
Contributions to In-		
mates	5,000.00	
	<hr/>	
Parole and Suspect Expenses.....		20,324.00
A. Personal Services	9,174.00	
B. Other Current Expenses.....	10,000.00	
C. Equipment	1,150.00	
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Motor Vehicles....	900.00	
Other Equipment..	250.00	
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GENERAL APPROPRIATION ACT.

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[SERIES E-173.—ACT 205]

Vineyard Street Office.....		15,025.00
A. Personal Services	9,200.00	
B. Other Current Expenses.....	4,500.00	
C. Equipment	1,325.00	
		<hr/>
Welfare Expense		11,374.00
A. Personal Services	9,364.00	
B. Other Current Expenses.....	1,860.00	
C. Equipment	150.00	
		<hr/>
Kalaupapa Store		10,000.00
B. Other Current Expenses.....	10,000.00	
		<hr/>
Bureau of Maternal and Infant Hygiene		34,300.00
A. Personal Services	11,600.00	
B. Other Current Expenses.....	22,550.00	
C. Equipment	150.00	
		<hr/>
Boards of Examiners.....		540.00
A. Personal Services	240.00	
B. Other Current Expenses.....	300.00	
		<hr/>
Bureau of Sanitation.....		170,365.00
A. Personal Services	139,727.00	
B. Other Current Expenses.....	18,838.00	
C. Equipment	11,800.00	
		<hr/>
Motor Vehicles....	10,800.00	
Other Equipment..	1,000.00	
		<hr/>
Bureau of Pure Food and Drugs.....		21,634.00
A. Personal Services	18,534.00	
B. Other Current Expenses.....	2,100.00	
C. Equipment	1,000.00	
		<hr/>
Government Physicians.....		93,903.00
A. Personal Services	86,403.00	
B. Other Current Expenses.....	7,500.00	
		<hr/>
(Drugs and Medical Supplies for Indigents)		<hr/>
Total: Conservation of Health and Sanitation		\$ 2,633,968.00
		<hr/>

DEVELOPMENT AND CONSERVATION
 OF NATURAL RESOURCES

Board of Administration—		
Board of Agriculture and Forestry.		35,109.00
A. Personal Services	21,014.00	
Other Personal Services	21,014.00	
B. Other Current Expenses.....	11,595.00	
C. Equipment	2,500.00	
Division of Animal Industry.....		116,633.00
A. Personal Services	91,523.00	
B. Other Current Expenses.....	16,160.00	
C. Equipment	3,950.00	
Motor Vehicles....	3,300.00	
Other Equipment..	650.00	
G. Capital Outlays for Rights and Obligations	5,000.00	
Refunds, Awards and Indemnities .	5,000.00	
Division of Entomology.....		111,639.00
A. Personal Services	87,639.00	
B. Other Current Expenses.....	17,000.00	
C. Equipment	7,000.00	
Motor Vehicles....	6,000.00	
Other Equipment..	1,000.00	
Division of Forestry.....		139,555.00
A. Personal Services	112,255.00	
B. Other Current Expenses.....	26,550.00	
Importation, Propa- gation, Distribu- tion fruit trees and vegetation ..	10,000.00	
Other Current Expenses	16,550.00	
C. Equipment	750.00	

GENERAL APPROPRIATION ACT.

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[SERIES E-173.—Act 205]

Division of Fish and Game.....		124,398.00
A. Personal Services	63,913.00	
B. Other Current Expenses.....	58,735.00	
Importation, Propagation, Distribution seed fish....	40,000.00	
Other Current Expenses	18,735.00	
C. Equipment	1,750.00	
Motor Vehicles....	1,200.00	
Other Equipment..	550.00	
Division of Hydrography.....		94,754.00
A. Personal Services	21,467.00	
B. Other Current Expenses.....	7,000.00	
C. Equipment	800.00	
Motor Vehicles....	800.00	
G. Capital Outlays for Rights and Obligations	65,487.00	
Refunds, Awards and Indemnities .	65,487.00	
<i>Total: Development and Conservation of Natural Resources.....</i>		<u>\$ 622,088.00</u>

CHARITIES, HOSPITALS AND CORRECTIONS

Lunalilo Home		24,000.00
F. Fixed Charges	24,000.00	
Contributions for Support of	24,000.00	
Kalihi Boys' and Kapiolani Girls' Home		42,054.00
A. Personal Services	16,454.00	
B. Other Current Expenses.....	24,600.00	
C. Equipment	1,000.00	

GENERAL APPROPRIATION ACT.

SERIES E-173.—ACT 205]

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Territorial Hospital		795,960.00
A. Personal Services	498,805.00	
B. Other Current Expenses.....	270,960.00	
C. Equipment	24,895.00	
Motor Vehicles....	4,300.00	
Other Equipment..	20,595.00	
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E. Structures and Permanent Im-		
provements to Land.....	1,300.00	
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Irrigation System..	300.00	
Sewer Systems ...	1,000.00	
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Waimano Home		419,515.00
A. Personal Services	159,247.00	
B. Other Current Expenses.....	151,418.00	
C. Equipment	108,850.00	
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General Office—Board of Prison Di-		
rectors		44,116.00
A. Personal Services	39,416.00	
B. Other Current Expenses.....	4,500.00	
C. Equipment	200.00	
<hr/>		
Oahu Prison		419,684.00
A. Personal Services	236,184.00	
B. Other Current Expenses.....	169,500.00	
C. Equipment	14,000.00	
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Motor Vehicles....	4,500.00	
Other Equipment..	9,500.00	
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Prisoners' Compensation		15,000.00
A. Personal Services	15,000.00	
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Board of Industrial Schools (Proper)		6,765.00
A. Personal Services	5,125.00	
B. Other Current Expenses.....	1,440.00	
C. Equipment	200.00	
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Kawailoa Training School for Girls..		175,465.00
A. Personal Services	75,619.00	
Provided that the physician appointed under this item on a part-time basis shall receive a salary of \$100.00 per month, and provided, further, that the person appointed as such physician shall be the same person serving as territorial physician at Heeia - Waimanalo and/or city and county physician in the same general localities.		
B. Other Current Expenses.....	57,390.00	
Home placements	2,500.00	
C. Equipment	21,306.00	
Motor vehicles....	5,850.00	
Other Equipment..	15,456.00	
E. Structures and Permanent Improvements to Land.....	18,650.00	
Monuments	650.00	
Water Works	18,000.00	
Waialeale Training School for Boys...		201,343.00
A. Personal Services	100,893.00	
B. Other Current Expenses.....	83,100.00	
Home placements	12,200.00	
C. Equipment	4,550.00	
Motor Vehicles ...	1,150.00	
Other Equipment..	3,400.00	
E. Structures and Permanent Improvements to Land.....	600.00	
Oil Tank	600.00	
<i>Total: Charities, Hospitals and Corrections</i>		<u>\$ 2,143,902.00</u>

EDUCATION

University of Hawaii.....		890,867.00
A. All functions expendable at the direction and under the supervision of the Board of Regents of the University of Hawaii. Provided, however, that the amount of this appropriation necessary to match allotments made by the Federal Government for extension work shall be payable to the University of Hawaii in total, by single warrant, or by several warrants, representing periodical allotments. Provided, further, that disbursements matching Federal Allotments may be regularly audited by the Federal Auditor and shall be subject to the same limitations as respects the character of expenditures of the Federal funds, which it offsets	850,867.00	
B. Equipment—Engineering Testing Laboratory	10,000.00	
C. Crop Statistic Service.....	30,000.00	
Library of Hawaii.....		231,481.00
A. Personal Services	166,481.00	
B. Other Current Expenses.....	30,000.00	
C. Equipment	35,000.00	
Maui County Free Library.....		61,521.00
A. Personal Services	32,521.00	
B. Other Current Expenses.....	7,500.00	
C. Equipment	21,500.00	
Motor Vehicles ...	1,000.00	
Equipment		
Molokai Library ..	4,000.00	
Other Equipment .	16,500.00	

GENERAL APPROPRIATION ACT.

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[SERIES E-173.—ACT 205]

Hilo Library		61,423.00
A. Personal Services	37,993.00	
B. Other Current Expenses.....	6,075.00	
C. Equipment	17,355.00	
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Motor Vehicles ...	1,200.00	
Other Equipment .	16,155.00	
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Kauai Public Library Association, Ltd.		34,374.00
A. Personal Services	21,374.00	
B. Other Current Expenses.....	4,500.00	
C. Equipment	8,500.00	
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Public Archives		31,423.00
A. Personal Services	24,978.00	
B. Other Current Expenses.....	4,300.00	
C. Equipment	2,145.00	
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Conservation of Eyesight and Work with the Blind.....		35,000.00
B. Other Current Expenses.....	35,000.00	
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To be expended by the Board of Public Welfare with the approval of the Governor of Hawaii.		
Division of Vocational Rehabilitation.		20,300.00
A. Personal Services	3,960.00	
B. Other Current Expenses.....	16,140.00	
C. Equipment	200.00	
<hr/>		
<i>Total: Education</i>		<u>\$ 1,366,389.00</u>

MISCELLANEOUS

Veterans Hawaii Guard 1893-1898...		10,000.00
F. Fixed Charges	10,000.00	
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Grants, Subsidies and Contributions ..	10,000.00	
<hr/>		
Aiding Indigent Persons Released from Kalihi Hospital and the Leper Settlement		3,500.00

<i>F.</i> Fixed Charges	3,500.00	
Grants, Subsidies and Contributions ...	3,500.00	
Relief of Persons Released from Ka- lihi Hospital and Kalaupapa.....		3,500.00
<i>F.</i> Fixed Charges	3,500.00	
Grants, Subsidies and Contributions ...	3,500.00	
Expenses Official Bonds.....		14,000.00
<i>B.</i> Other Current Expenses.....	14,000.00	
Governor's Contingent Fund.....		50,000.00
<i>B.</i> Other Current Expenses.....	50,000.00	
<p>From which expenditures may be made only with the approval of the Governor and only for urgent needs for which no specific appropria- tion or an insufficient appropria- tion is made herein or otherwise, a detailed account of all of which expenditures shall be submitted to the next legislature, provided, how- ever, that no expenditure shall be made out of this fund to increase any salary.</p>		
Governor's Contingent Fund for Tem- porary Assistants		10,000.00
<i>A.</i> Personal Services	10,000.00	
<i>Total: Miscellaneous</i>		\$ 91,000.00

INTEREST

Interest on Funded Debt.....	2,544,458.00
<i>Total: Interest</i>	\$ 2,544,458.00

PUBLIC SERVICE ENTERPRISES

Board of Harbor Commissioners—		
Proper		21,298.00
A. Personal Services	15,198.00	
B. Other Current Expenses.....	6,100.00	
Maintenance and Additions, Landings, Wharves and Pipelines, and other property under the con- trol of the Board of Harbor Commissioners		287,316.00
A. Personal Services	148,816.00	
B. Other Current Expenses.....	82,000.00	
Dredging Nawiliwili Harbor..	17,000.00	
C. Equipment	2,500.00	
Motor Vehicles ...	2,500.00	
E. Structures	37,000.00	
Kawaihae Wharf..	35,000.00	
Lean-to Shed, Pier 2, Hilo	2,000.00	
Harbor Masters and Pilots.....		99,119.00
A. Personal Services	75,659.00	
B. Other Current Expenses.....	23,460.00	
<i>Total: Public Service Enterprises....</i>		<i>\$ 407,733.00</i>

GENERAL TRANSFERS

General Administration — Employees'		
Retirement System		56,866.00
A. Personal Services	47,246.00	
B. Other Current Expenses.....	4,200.00	
C. Equipment	5,420.00	
Pension Accumulation Fund.....		708,471.00
F. Fixed Charges	708,471.00	
Territorial Contri- bution	708,471.00	
Permanent Pensions under Act 261, Session Laws of 1925.....		41,000.00
<i>Total: General Transfers.....</i>		<i>\$ 806,337.00</i>

HAWAIIAN HOMES COMMISSION

(Administration and Operative Costs)	150,000.00
A. Personal Services	89,642.12
B. Other Current Expenses.....	45,010.00
B-1 Fixed Charges	15,347.88
Interest on Loans payable to Terri- tory of Hawaii..	11,250.00
Sinking Fund In- stallments	4,097.88
E. Structures and Permanent Im- provements to Lands.....	80,000.00
Development of Ke- aukaha Area ...	80,000.00
F. Grants, Subsidies and Contribu- tions	12,000.00
Contribution to Robert Shingle Memorial Hospital	12,000.00
<i>Total: Hawaiian Homes Commission.</i>	<i>\$ 242,000.00</i>
Hawaii Tourist Bureau.....	175,000.00

F. Contribution for support of:
 Provided that this appropriation shall become available from time to time in fractional amounts equal to one-half the amount then received from individuals and business organizations by said Hawaii Tourist Bureau, five members of which Bureau to be appointed by the Governor for terms of one year each or until a successor is appointed, one of said members to be selected to represent each of the island counties of Hawaii, Maui, Honolulu and Kauai,

upon nomination of the Boards of Supervisors of the respective counties in conjunction with the principal, civic or commercial organizations of said counties, and one to be selected by the Governor to represent the Territory at large; provided, further, that said funds shall be expended exclusively for display advertising space, in metropolitan newspapers and national magazines of mainland United States and/or Canada, and for broadcast over radio, and shall be placed through a Hawaiian Advertising agency, such agency shall **itself** possess official recognition from representative publishers' associations, such as the American Newspaper Publishers' Association, as indicating its ability to fully function as a qualified advertising agency; said monies shall be issued to said Hawaii Tourist Bureau by warrants of the Auditor of the Territory of Hawaii only when satisfactory evidence has been presented to the said Auditor that such an amount has been collected in cash and deposited in a bank to the credit of the Hawaii Tourist Bureau for this purpose; provided, further, that the sum of \$2,500.00 shall be paid to the Police Glee Club for the purpose of assisting them defray traveling expenses on their proposed tour of the mainland United States; provided, further, that not less

than \$25,000.00 of the amount hereby appropriated shall be expended for radio broadcasting from within the Territory; provided, further, that not less than \$50,000.00 of this amount, and only insofar as it is matched as hereinbefore provided, shall be expended for advertising and participation of Hawaii at the New York and/or San Francisco World Fairs in 1939.

Grand Total of Totals.....

\$13,344,263.00

Section 2. Changes and transfers may be made by the head of a department or establishment with the approval of the governor, within the foregoing schedule of appropriations, for any organization unit of such department or establishment, as to "Personal Services", "Other Current Expenses" or "Equipment". Provided, however, that in cases where no appropriation is made for "Equipment" for such organization unit of a department or establishment, the head of such department or establishment may, with the approval of the governor, create such appropriation by changes or transfers from "Personal Services" or "Other Current Expenses" or both.

Section 3. With the exception of government physicians and bacteriologists, no other officer or employee in the territorial service or in the service of any county or city and county in receipt of a salary, wage or other compensation or remuneration of \$100.00 or more per month shall receive any additional salary, wage or other compensation or remuneration out of any moneys herein appropriated unless otherwise specifically provided for herein. Provided, however, that the combined salaries of a government physician or a bacteriologist received from more than one governmental source shall, in no event, exceed the total sum of \$400.00 per month.

Section 4. If any section, subsection, sentence, clause or phrase of this Act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act. The legislature hereby declares that it would have approved this Act and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more of the

sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid. If the application of any provision of this Act to any person or circumstance is held invalid, the application of such provision to other persons or circumstances shall not be affected hereby.

Section 5. This Act shall take effect from and after July 1, 1937.

(Approved May 11, 1937.) **H.B. 55, Act 205.**

[E-174] An Act Appropriating the Sum of One Hundred Eighty-Nine Thousand Thirty-Eight and 19/100 Dollars (\$189,038.19) to Augment Act 142, Session Laws of 1935, the General Appropriation Act for the Biennium 1935-1937.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of one hundred eighty-nine thousand thirty-eight and 19/100 dollars (\$189,038.19) is hereby appropriated out of the general fund of the Territory of Hawaii to augment appropriations provided for in the general appropriation Act, Session Laws of 1935, to be allocated as follows:

1. Tax Commissioner	\$48,500.00
2. Kalaupapa Settlement	35,000.00
3. Kalihi Hospital	3,200.00
4. Parole and Suspect Expense.....	1,200.00
5. Vineyard Street Office	500.00
6. Superintendent of Public Works.....	500.00
7. Structures, Additions, Maintenance, Repairs to and Tearing down or removal of Government Property (including Airports, Armories, War Memorials) and Improvements to Grounds.....	15,803.65
8. Public Debt Service.....	3,000.00
9. Governor's Contingent Fund.....	30,000.00
10. Employees' Retirement System, Territory of Ha- waii: Pensions paid under Act 261, S. L. 1925, and Act 31, S. L. 1927.....	46,334.54
11. Land Court	5,000.00
TOTAL.....	\$189,038.19

Section 2. This Act shall take effect upon its approval.

(Approved April 17, 1937.) **H.B. 141, Act 32.**

[E-175] An Act to Fix the School Budget for the Period Beginning July 1, 1937, and Ending June 30, 1939.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The school budget shall be as follows for the period beginning July 1, 1937, and ending June 30, 1939, and the sums hereinafter set forth are hereby appropriated out of the general revenues of the Territory for the following purposes, to wit:

GENERAL SCHOOL FUND

General Administration		\$ 110,920.00
A. Personal Services	\$ 81,000.00	
Superintendent	\$14,400.00	
Other Personal Services	66,600.00	
B. Other Current Expenses....	24,920.00	
C. Equipment	5,000.00	
Boards of Examiners.....		800.00
A. Personal Services	50.00	
B. Other Current Expenses....	700.00	
C. Equipment	50.00	
Insurance and Auditing.....		2,000.00
A. Fixed Charges	2,000.00	
Field Expenses: General Items....		50,324.00
B. Other Current Expenses....	35,074.00	
C. Equipment	15,250.00	
Supplies and Equipment:		
Grades 1-6		100,000.00
B. Other Current Expenses....	67,000.00	
C. Equipment	33,000.00	
Supplies and Equipment:		
Grades 7-9		85,000.00
B. Other Current Expenses....	42,500.00	
C. Equipment	42,500.00	

SCHOOL BUDGET.

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[SERIES E-175.—ACT 192]

Supplies and Equipment:		
Grades 10-12		60,000.00
<i>B.</i> Other Current Expenses....	30,000.00	
<i>C.</i> Equipment	30,000.00	
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Territorial School for Deaf & Blind		112,560.00
<i>A.</i> Personal Services	73,120.00	
<i>B.</i> Other Current Expenses....	30,440.00	
<i>C.</i> Equipment	4,000.00	
<i>E.</i> Structures	5,000.00	
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Division of Health Education.....		15,500.00
<i>A.</i> Personal Services	10,800.00	
<i>B.</i> Other Current Expenses....	4,300.00	
<i>C.</i> Equipment	400.00	
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Division of Dental Hygiene.....		104,520.00
<i>A.</i> Personal Services	95,820.00	
<i>B.</i> Other Current Expenses....	8,000.00	
<i>C.</i> Equipment	700.00	
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Division of Vocational Education..		12,300.00
<i>B.</i> Other Current Expenses....	7,900.00	
<i>C.</i> Equipment	400.00	
<i>F.</i> Fixed Charges (Contribu- tions to Special Voca- tional Fund)	4,000.00	
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Honolulu Vocational School.....		6,040.00
<i>A.</i> Personal Services	2,040.00	
<i>B.</i> Other Current Expenses....	2,100.00	
<i>C.</i> Structures	1,900.00	
<hr/>		
Future Farmers of America.....		2,000.00
<i>B.</i> Other Current Expenses....	2,000.00	
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Future Homemakers of Hawaii....		2,000.00
<i>B.</i> Other Current Expenses....	2,000.00	
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Books for Indigent Children.....		7,000.00
<i>B.</i> Other Current Expenses....	7,000.00	
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For the purchase by the
Department of Public In-
struction of necessary
books or the payment of
authorized book rentals, and

for the payment of authorized school fees, for needy pupils registered in grades 1 to 9 inclusive, in the public schools, under such rules as may be prescribed by the department and in accordance with the provisions of Act 112 of the Session Laws of 1929.	
School Expenses and Transportation Crippled Children	2,000.00
<i>Total: General School Fund...</i>	<u>\$ 672,964.00</u>

LAHAINALUNA BOARDING SCHOOL

Lahainaluna Boarding School Department, Support of.....	\$ 30,676.00
Revolving Fund	\$ 24,000.00
Equipment	4,676.00
Structures	2,000.00

TEACHERS' SALARIES FUND

Teachers' Salaries	11,184,553.00
<i>A. Elementary Teachers</i>	6,220,745.00
<i>B. Intermediate Teachers</i>	1,227,312.00
<i>C. High School Teachers.....</i>	1,223,547.00
<i>D. Vocational Teachers</i>	943,042.00
<i>E. Principals (16 Assistants or more)</i>	494,024.00
<i>F. Supervisors</i>	95,247.00
<i>G. Secretaries</i>	191,645.00
<i>H. Librarians</i>	245,562.00
<i>I. Substitutes</i>	70,127.00
<i>J. To Continue Automatic Increase</i>	317,222.00
<i>K. Additional Teachers</i>	200,000.00
<i>Grand Total.....</i>	<u>\$11,888,193.00</u>

[sic.]

Section 2. Changes and transfers may be made by the Commissioners of Public Instruction, with the approval of the Governor, within the foregoing schedule of appropriations, for any organization of such department as to "Personal Services," "Other Current Expenses," or "Equipment." Provided, however, that in cases where no appropriation is made for "Equipment" for such organization unit, the Commissioners of Public Instruction may, with the approval of the Governor, create such appropriation by changes or transfers from "Personal Services" or "Other Current Expenses," or both.

Section 3. This Act shall take effect on July 1, 1937.

(Approved May 10, 1937.) **H.B. 354, Act 192.**

[E-176] An Act to Amend Act 76, Session Laws of Hawaii 1935, Pertaining to the Teachers' Salaries Fund Appropriation.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 2 of Act 76, Session Laws of Hawaii 1935, is amended by adding the following to the first paragraph: "except that with the approval of the Governor transfers may be made within the various items of the teachers' salaries appropriation."

Section 2. This Act shall take effect upon its approval.

(Approved April 27, 1937.) **H.B. 435, Act 81.**

PUBLIC IMPROVEMENTS; BOND ISSUE.

[E-177] An Act to Provide for Public Improvements.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The following sums are hereby appropriated for the following purposes out of any moneys hereafter received by the Treasurer of the Territory of Hawaii for or on account of loan funds, and bonds may be issued as provided by law to the extent necessary to yield the amounts herein appropriated or so much thereof as may be found necessary:

TERRITORIAL IMPROVEMENTS

Wharf and Harbor Improvements

(To be expended under the direction of the Board of Harbor Commissioners)

1. Wharf, dredging and terminal improvements,
 Port Allen\$300,000.00
2. Wharf extension, improvements and dredging,
 Kaunakakai 75,000.00
3. Wharf extension and improvements, Hana..... 40,000.00
4. Improvements along Wailoa Stream..... 65,000.00
5. Dredging, Waikiki 35,000.00

Land, Structures and Highways

(To be expended under the direction of the Department of Public Works or Territorial Highway Department, as may be found appropriate or necessary)

6. Kapuiwa Building Improvements.....\$ 28,000.00
7. Territorial Hospital Improvements..... 100,000.00
8. Judiciary Building, Extension and Improvements 122,000.00
9. Library, Kaimuki, Land & Improvements..... 20,000.00
10. Territorial Building for tax department and other
 departments of Territorial Government..... 100,000.00
11. National Guard Armory, Hanapepe..... 20,000.00
12. Waimano Home, Water Supply..... 60,000.00
13. Boys' Industrial School, Waialea..... 25,000.00.

Section 2. The following sums are also hereby appropriated for the following purposes out of any moneys received by the Treasurer of the Territory of Hawaii for or on account of loan funds, and bonds may be issued as provided by law to the extent necessary to yield the amounts herein appropriated or so much thereof as may be found necessary:

CITY AND COUNTY OF HONOLULU

14. Schools, Lands, Improvements and Equipment. \$1,500,000.00
15. Parks, Acquisition of Lands (Divided as follows: Parks, Waikiki \$125,000.00; Park, Kaimuki \$75,000.00) 200,000.00
- 15a. Additions and improvements to Palolo Golf Course (To be expended by Parks Board).... 100,000.00

Vetoed J. B. P.

COUNTY OF MAUI

16. Kula Pipeline Improvements, including new
 water main to Ulupalakua.....\$ 20,000.00
17. Kihei Pipe Line, Improvements..... 25,000.00
18. Water Development and Improvements, Kaunakakai and Kawela, Molokai..... 10,000.00

19. Wailuku Sewer System, Improvements.....	24,000.00
20. High School, Wailuku, Land improvements and equipment	350,000.00
21. High School, Hoolehua, Molokai.....	5,000.00
22. Road, Kaunakakai toward East Molokai, Island of Molokai	100,000.00
23. Road, between Farrington Ave., and Shingle Memorial Hospital, Hoolehua, Molokai.....	30,000.00
24. Hana Belt Road, Haiku toward Kailua (Improvement to begin at end of present pavement near cannery at Kuiaha).....	150,000.00
25. Roads, Lanai	30,000.00
(Sums shown under items 22, 23, 24, to be expended in conjunction with Federal Aid Funds under Federal Highway Act or any other Acts of Congress making available Federal Funds for such purposes, if such can be secured)	

COUNTY OF HAWAII

26. Puumaile Home, Land, Improvement and equipment	\$200,000.00
27. Hilo Fire Station.....	50,000.00
28. Kona Hospital, Land, Improvement and equipment	75,000.00
29. Pahala School	35,000.00
30. Mamalahoa Highway, Keaunoku toward Waimea	90,000.00
31. Roads and Bridges Territorial Highway System, North Hilo and Hamakua.....	100,000.00
(Sums shown under items 30 and 31 to be expended in conjunction with Federal Aid Funds under the Federal Highway Act or any other Acts of Congress making available Federal Funds for such purposes)	

COUNTY OF KAUAI

32. Hanapepe River Embankment.....	\$ 15,000.00
33. Kekaha School, Auditorium.....	30,000.00

Except as otherwise in this Act provided the sums appropriated, being items (14) to (33), both inclusive, shall be expended by the Boards of Supervisors of the respective Counties in accordance with plans and specifications prepared by the respective engineers of such Counties; provided:

(a) That in case the amount specified in any item of this section shall not be wholly required to complete the work on such item, the unrequired balance may, after completion of said work, or after it is definitely found by the territorial or county officer

or officers in charge of the work authorized by said item that not more than a specified amount, less than the whole amount appropriated by said item, will be required to complete said work, be expended for the work specified in any of the other items for the same county, and any unrequired balance remaining after the completion of all the items for such county listed in this section shall be transferred to the permanent improvement fund of the same county.

(b) That no moneys shall be expended under any of said items (14) to (33) until the methods, materials, plans and specifications proposed to be used for the construction or reconstruction of the improvement authorized by said item shall first have been passed upon and approved by the Superintendent of Public Works ; and before giving such approval, the Superintendent of Public Works shall inspect the locality in which the work is proposed to be done and shall familiarize himself with the local conditions affecting said proposed work.

(c) That all school buildings erected under any of the items in this section and all lands purchased for school purposes under any of the items specified in this section shall be subject to the approval of the Department of Public Instruction as to the locality of the lands purchased and as to the size, arrangement, dimensions, lighting of rooms and sanitary convenience as to the buildings erected.

Section 3. Each county shall pay to the Territory on the interest dates of any term bonds that may be issued by the Territory pursuant to this Act, the proceeds of which shall have been or are to be expended for such of the projects referred to in said items (14) to (33) as are to be undertaken in such county, interest upon the par value of such bonds at the rate of interest specified in such bonds, and also such sums annually on the second interest date and the same date each year thereafter, during the term for which such bonds shall have been issued, whether afterwards refunded or not, as will, compounded annually at the rate of three per cent, aggregate at the expiration of such terms such par value ; in the event that there shall be any shrinkage in the sinking fund for territorial bonds caused by inability of the Territorial Treasurer to invest the moneys in said fund at a rate sufficient to yield an average of three per cent thereon, the Territorial Treasurer and Auditor shall jointly estimate as accurately as possible the amount of such shrinkage equitably allocable to such county, and shall jointly certify in writing such amount to the Board of Supervisors of such County, and such amount shall be added to the amount otherwise payable by such County to the Territory under this section.

In the event that serial bonds shall be issued by the Territory under this Act, then each such County shall pay to the Territory on the interest dates of any such serial bonds, the interest then due thereon and in addition thereto shall pay to the Territory on or before the 20th day of November of each year the amount of the principal of such serial bonds maturing the following year.

The Auditor of the Territory is authorized to deduct from the amount of any warrant or warrants otherwise issuable by him to the Treasurer of any County such amounts when due as are required by this section to be paid by such county, and proper receipts shall thereupon be exchanged between the Treasurers of the Territory and such County; provided, however, that, in the event of the issuance of term bonds, such County may, at the option of its Board of Supervisors, pay on account of such bonds on any such interest date any additional sum, and when the accrued values of all sums, other than interest paid on account of such bonds, shall equal the par value of such bonds, all the obligations of such County in respect of such bonds, principal and interest, shall be discharged; every such additional sum so paid shall be deposited to the credit of the sinking fund provided for in chapter 266 of the Revised Laws of Hawaii 1935, in addition to all other amounts otherwise required to be deposited in said fund.

Section 4. Any provision of this Act or any other territorial law to the contrary notwithstanding, it is expressly provided that, in the event that it is found possible to secure federal funds made available under any Act of said Congress to be expended in connection with or for the construction of any of the projects or works authorized by any item of this Act, (whether or not such item specifically provides for expenditure thereof in connection with federal funds), the proper territorial or county officers, or both, charged with the expenditure of the funds appropriated by such item, shall have power to enter into such undertakings with the proper officers or agencies of the Federal government, agree to such conditions, transfer the funds appropriated by this Act to such other officer, officers or agency of the Territory or County (who are hereby given power to expend the same pursuant to this Act) for expenditure thereof, and do and perform such other acts and things as may be necessary, or be required by such Acts of said Congress or any regulations or requirements of the Federal government, as a condition to securing such federal funds for such projects or works.

Any other provision of law to the contrary notwithstanding, any bonds issued under this Act may, with the approval of the Governor, be deposited with and pledged to, or be otherwise disposed of to, the United States or any board, agency or instrumentality of the United States government, to secure the repayment, or in actual payment, of any loans or advances made or to be made,

under any Act or Acts of the Congress of the United States authorizing such loans or advances, by the United States or any such board, agency or instrumentality to the Territory for the construction, in whole or in part, of any public works project authorized under this Act or the cost of which, or any portion thereof, would be payable or could legally be paid, out of the proceeds of such bonds if sold.

Section 5. This Act shall take effect immediately upon the taking effect of legislation by the Congress of the United States approving and authorizing the issuance of bonds of such character and in such manner as is provided in this Act or ratifying the action hereby taken by the Legislature of said Territory, or both.

Approved this 18th day of May, A.D. 1937, except item "15a. Additions and improvements to Palolo Golf Course (To be expended by Parks Board) \$100,000.00." This item is vetoed and not approved.

J. B. POINDEXTER,

Governor of the Territory of Hawaii.

H.B. 157, Act 247.

[E-178] An Act to Amend Act 203, Session Laws of Hawaii 1935 (Series E-182, Session Laws 1935) Relating to Public Improvements and Providing for the Issuing of Bonds Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the following items in section 1 of Act 203, Series E-182, of the Session Laws of Hawaii 1935, be amended to read as follows:

Item 4:

"Bridges across Ala Wai.....\$150,000.00"

Item 6:

"Boys' Industrial School, Waialea..... 50,000.00"

Item 11:

"National Guard Armory, Lihue, Kauai..... 40,000.00"

Item 12:

"Roads, Waianae-Waialua via Kaena Point and
other territorial highways..... 90,000.00"

Item 13:

"University buildings 225,000.00"

Section 2. That the following new items be added to said section 1:

- "12b. Roads, Waialua toward Kaena Point 90,000.00"
 "13a. Territorial Airport—Improvements 200,000.00".
 "(The amount specified in item 13a may be
 expended for lands, construction, materi-
 als, supplies and/or equipment)."

Section 3. That the following items of section 2 of said Act be amended to read as follows:

Item 20:

"Roads and bridges (to be expended in conjunction with federal aid funds under the federal highway Act or any other Acts of said Congress making available federal funds for such purposes) 715,000.00".

Item 23b:

"Road from Mahukona toward Niulii, for improving and widening same 100,000.00".

Item 26:

"Roads and bridges (to be expended in conjunction with federal aid funds under the federal highway Act or any other Acts of said Congress making available funds for such purposes) 300,000.00"

Item 28:

"Roads and bridges (to be expended in conjunction with federal aid funds under the federal highway Act or any other Acts of said Congress making available federal funds for such purposes) 200,000.00".

Section 4. That the following new items be added to said section 2:

UNDER MAUI

"26a. Roads, Lanai 20,000.00"

UNDER HAWAII

"23d. Belt road, Punaluu Gulch, toward Honuapo 120,000.00"

"23e. Makapala School 10,000.00"

"23f. Halaula School 20,000.00".

Section 5. This Act shall take effect upon the enactment of laws by the Congress of the United States of America authorizing the changing of items in said Act 203, Session Laws of Hawaii 1935.

(Approved May 17, 1937.) H.B. 243, Act 228.

PAYMENT OF CLAIMS.

[E-179] An Act for the Relief of Certain Persons, Firms and Corporations on Account of Over-Payment of Taxes, and Other Claims Against the Territory, and Providing Appropriations Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The following respective sums of money are hereby appropriated out of the general revenues of the Territory of Hawaii for the purpose of reimbursing the following named persons, firms and corporations, for over-payments of taxes or for taxes illegally collected, or on account of other claims against the Territory, in the amounts set forth opposite their respective names:

Sam Ako	Real Property	Second Division	\$ 1.97
Frank L. Kaaihue	"	"	.20
Wm. K. Kaholokula	"	"	.50
David K. Kahookole, Jr.	"	"	.28
Kailioi Kalawaianui	"	"	.28
Annie Makia	"	"	.01
Joseph Nakoa	"	"	1.49
Mahiki Keawe	"	"	.48
Maurice Dudoit	"	"	2.78
Isaac Kaai	"	"	4.41
Rebecca K. Laumauna	"	"	8.09
Mrs. Louise K. Naeiwi	"	"	11.68
Edward Paaluhi	"	"	4.12
Roman Catholic Church	"	"	4.09
R. T. Von Tempsky and Mrs. A. Zabriskie	"	"	22.75
Mrs. Amelia G. Silva	"	First Division	43.81
Bishop Nat. Bank of Hawaii	"	"	74.16
Mrs. Lee Toma	"	"	15.37
M. Abe	Personal Property	Second Division	.01
Sito Agency	"	"	.17
Mrs. Dora Ah Chan	"	"	3.38
Fred S. Iwatake	"	"	.87
John Jacintho	"	"	.12
Harue Kate	"	"	.60
Kawamura Blacksmith Shop	"	"	4.22
Mrs. Manyei Oshiro	"	"	10.86
Daniel Pinheiro, Jr.	"	"	1.17
Yip Chun	"	"	2.12

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Kamato Higa	"	"	.10
Katsuto Mizeguchi	"	"	.62
Genichi Ono	"	"	3.57
Tatsugero Shimoda	"	"	.13
Ushi Tamayoshi	"	"	2.04
Iseji Tanji	"	"	15.11
Dimpy Tompo	"	"	4.59
Mrs. S. K. Bush	"	"	5.63
Joseph Corney	"	"	15.71
Joseph Halemano	"	"	25.50
John Kaimikaua	"	"	9.65
Mrs. Sarah Kapule	"	"	3.82
David Kua	"	"	7.52
Mrs. Piwai Kuamu	"	"	6.24
Gabriel Lani	"	"	10.71
William Naeole	"	"	2.67
Mrs. Cecilia Pedro	"	"	.29
Mrs. K. Lee	"	"	37.38
Samuel Leonui	"	"	19.64
Moses Makaiwi	"	"	11.86
Henry Naeole	"	"	19.77
Moses Needham	"	"	35.45
Kauila Sylva	"	"	17.68
John Wahilani	"	"	49.37
Kisaburo Watanabe	"	"	.10
Kanichi Hashiba	"	"	4.40
James S. B. McKenzie	Income	"	6.63
G. Whitney Tomkins	"	"	1.62
James G. Munro	"	"	.60
Antone de Cambra	Excise	"	1.52
Catalino Rodrigues	"	"	.67
S. Galanto	"	"	35.84
Theodore T. Meyer, Jr.	"	"	2.81
Dr. Howard Chamberlain	Poll Tax	"	5.00
Narcise Magusare	"	"	5.00
Mrs. Kubeyama	"	"	5.00
Mrs. Julia Supriane	"	"	5.00
Mrs. Hannah Ako	"	"	5.00
Mrs. Tsugie Mishima	"	"	5.00
Mrs. Toma Manmitsu	"	"	5.00
Mrs. Mary Kepaa	"	"	5.00
Mrs. Miki Otsuka	"	"	5.00
Hisano Kaita	"	"	5.00
Mrs. Ichiya Yamamoto	"	"	5.00
Mrs. Dadenicia	"	"	5.00
Mrs. Monica Abian	"	"	5.00

APPROPRIATIONS FOR PAYMENT OF CLAIMS.

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Mrs. Anita Kalani	“	“	5.00
Mrs. Mary Sung Mun			
(Soong)	“	“	5.00
Mrs. M. De Mello	“	“	5.00
Helen Hoopii	“	“	5.00
Mrs. Candido Crasstis	“	“	5.00
Mrs. Louisa Leong Kee	“	“	5.00
Mrs. John Kama	“	“	5.00
Mrs. Saki Yamamoto	“	“	5.00
Mrs. Cabundo Felba	“	“	5.00
Mrs. Emily Napaepae	“	“	5.00
Mrs. Ito Minami	“	“	5.00
Mrs. Uto Nakata	“	“	5.00
Tamaye Yoshimoto	“	“	5.00
Mitsue Yamauchi	“	“	5.00
Mrs. K. Akiyama	“	“	5.00
Mrs. Mary Nipier	“	“	5.00
Mrs. Annie Ramos	“	“	5.00
Katie Keae	“	“	5.00
Victoria Virtudes	“	“	5.00
Mrs. Ichike Yamauchi	“	“	5.00
Lahapa Kupe	“	“	5.00
Mrs. Candido Matias	“	“	5.00
Helen Mookini	“	“	5.00
Rosa Gosen	“	“	5.00
Julia Ladislla	“	“	5.00
Mrs. Mary Laanui	“	“	5.00
Misae Mizomi	“	“	5.00
Rosaline Paahana	“	“	5.00
Mrs. Shigeke Nagaoka	“	“	5.00
Satoye Tanaka	“	“	5.00
Mary Bulga	“	“	5.00
Osuda Natiebeda	“	“	5.00
Yukimi Okada	“	“	5.00
Mrs. Tome Heruichi	“	“	5.00
Mrs. Toma Oneuye	“	“	5.00
Mrs. Taketa	“	“	5.00
Margaret Puha	“	“	5.00
Fanny Kupe	“	“	5.00
Mrs. Haruyo Yamada	“	“	5.00
Hannah Delatori	“	“	5.00
Mrs. Mary Paahana	“	“	5.00
Virginia Martin	“	“	5.00
Mary Kaumeheiwa	“	“	5.00
Christina Naganema	“	“	5.00
Mrs. Osula Hugo	“	“	5.00

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Mrs. Anna Kukahike	"	"	5.00
Mrs. Juanita Hill	"	"	5.00
Susanna Lalames	"	"	5.00
Mrs. Jennie Kaaumoana	"	"	5.00
Mrs. Evelyn Horiuchi	"	"	5.00
Mrs. Mitsuke Sakai	"	"	5.00
Ellen Furukawa	"	"	5.00
Mrs. Catherine Fernandez	"	"	5.00
Mrs. Hattie Eldredge	"	"	5.00
Mrs. Keiyo Yoshitake	"	"	5.00
Mrs. Tsui Ito	"	"	5.00
Mrs. Memeya Furakawa	"	"	5.00
Mrs. Teiko Tada	"	"	5.00
Mrs. Masayo Nohara	"	"	5.00
Mrs. Iku Kobayashi	"	"	5.00
Mrs. Hatsuyo Yamamoto	"	"	5.00
Mrs. Shima Senba	"	"	5.00
Mrs. Kihu Takamura	"	"	5.00
Mrs. Masano Takahashi	"	"	5.00
Mrs. Yetsu Suzuki	"	"	5.00
Mrs. Mine Okumura	"	"	5.00
Mrs. Tori Kikuta	"	"	5.00
Mrs. Nochi Ozumi	"	"	5.00
Mrs. Maketo Shingaki	"	"	5.00
Helen Kaai	"	"	5.00
Mrs. Yoshi Keike	"	"	5.00
Masaichi Seki	"	"	10.00
American Sugar Co., Ltd., for Libby, McNeill & Libby	Real Property	"	2,304.46
California Packing Corporation	Income & Excise	First Division	29,899.51
Mrs. Maria Carrita	Real Property	"	36.40
Sai Ching Juck Jon	"	"	181.67
C. M. Cooke, Ltd.	"	"	283.84
Fibreboard Products, Inc.	Income	"	387.05
Jet Grigsby	Real Property	"	55.12
Wm. G. Hall	Income	"	261.64
Honolulu Laundry Co., Ltd.	Excise	"	122.86
Magoon Estate, Ltd.	Income	"	380.75
Isabura Matsuoka	Real Property	"	22.45
Peter Johnson	Income	"	94.97
Landscape Service	Personal Property	"	26.44

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Lucy Maxwell	Excise, Real & Personal Property	"	326.41
Sam D. McMillan	Real Property	"	215.36
Sakuichi Sawamura	"	"	415.13
Shozo Kawakami	Income	"	38.21
Sperry Flour Co.	"	"	202.57
Yoshiko Kawato	Real Property	"	53.07
Young, Lamberton & Pearson	Excise	"	1,156.81
John F. Caires	Income	"	3.64
Lau Ah Wong Store	Real Property	"	668.21
John Ah Mook Sang	"	"	36.12
H. Streubeck	Income	"	8.75
E. Vincent	"	"	41.56
First Trust Co., for Bruce & Ronald C. Kennedy	Unemployment Relief Tax	Third Division	117.52
Honokaa Sugar Co.	Excise	"	2,600.00
Jitsugiro Kawaguchi	Personal Property	"	26.52
Mrs. Mollie T. Lee	Real Property	"	26.99
T. Uyehara	Personal	"	52.60
Mrs. Isabel Rodrigues	Poll Tax	Fourth Division	5.00
Manuel Ferreira	"	First Division	20.00
Sam Kauaawa	"	"	5.00
Shizuo Saito	"	"	5.00
Mrs. Kii Shibuya	"	Second Division	5.00
Mrs. Teresa Bowler Hughes	Real Property	First Division	92.23
Kam York Fon	"	"	50.66
Jue Anami	"	"	101.94
Martin E. Wilberts	Income	Second Division	20.00
Mrs. Helen L. Lau	Real Property	First Division	50.13
Mrs. Sarah Makaaceae	"	Third Division	91.04
Cooke Trust Co., Ltd.	Income	First Division	128.12
William H. Fry	Poll Tax	First Division	15.00
Judge C. C. Conrad	"	Second Division	15.00
Tasuke Oda	Real Property	"	110.12
Tennant Greany & Wallace	Excise	First Division	318.82
Union Trust Co., Ltd., for Hattie K. Elia	Real Property	First Division	1,120.84
Mrs. Nancy Wessel	Poll Tax	Third Division	5.00
Mrs. Lily L. Kahauleleio	Real Property	First Division	12.25
Neil K. Shigaki	Poll Tax	"	5.00

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Mrs. Sarah Makaaeae	Real Property	Third Division	91.04
		Vetoed J. B. P.	
Tide Water Associated Oil Co.	Real Property	First Division	650.20
		Vetoed J. B.P.	
Dr. Richard Ulukou	Services, Waimano Home		75.00
Theo. H. Davies & Co., Ltd.	Materials, Oahu Prison		58.72
Ruddle Sales & Service Co., Ltd.	Repairs Ford Touring Car, TH-170		54.75
Ruddle Sales & Service Co., Ltd.	Repairs Dumper, Aviation Field		10.43
Hilo Iron Works	Labor and materials, Territorial Prison Camp and Airport, Waiakea		357.54
Dr. Honn Chu	Services, Boys' Industrial School, Kawaihoa Training School for Girls and Territorial Hospital		213.00
Maui Publishing Company, Limited	Excise Tax	Second Division	412.03
		Vetoed J. B. P.	

Section 2. The sums hereinabove appropriated shall be paid upon warrants issued by the Territorial Auditor upon vouchers approved by the Tax Commissioner in the several amounts and to the respective persons hereinabove set out, as to said claims for taxes, and shall be paid upon warrants issued by said Auditor upon vouchers approved by the Director of the Bureau of the Budget as to all other claims.

Section 3. Any amounts so paid which shall represent real property taxes overpaid or illegally collected shall constitute an advancement to the county or city and county in which such taxes have been collected, and shall be repaid by the Treasurer of the Territory into the general fund of the Territory by retaining the amount from the next collection of such taxes on account of such county or city and county and paying the same into said general fund.

Section 4. This Act shall take effect upon its approval.

Approved this 18th day of May, A.D. 1937,
except item Mrs. Sarah Makaaeae (p. 12) \$91.04

“ “ Tide Water Association Oil Co. (p. 12) \$650.20

“ “ Maui Publishing Company, Limited (p. 13) \$412.03

J. B. POINDEXTER,
Governor of the Territory of Hawaii.

[E-180] An Act Authorizing and Directing the Auditor of the Territory of Hawaii to Issue Warrants for the Payment of Certain Claims, Incurred by the Board of Commissioners of Public Archives and the Board of Health, From the Appropriations Available for the Expenses of Such Board of Commissioners of Public Archives, and Board of Health for the Current Biennium.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Auditor of the Territory is authorized and directed to issue warrants for the payment of claims to the following persons and corporations in the amounts designated after their names for materials furnished to, labor performed for and services rendered and to be rendered prior to July 1, 1937, to the Board of Commissioners of Public Archives and the Board of Health, such warrants to be paid from the funds appropriated for such Departments for the biennium ending June 30, 1937, to-wit:

1. Board of Commissioners of Public Archives.
Advertiser Publishing Company.....\$1,150.00
2. Board of Health.
H. W. Chamberlin, M.D..... 1,116.36
L. F. Luckie, M.D..... 212.64
R. J. McArthur, M.D..... 778.16
H. M. Patterson, M.D..... 1,545.45

Section 2. The provisions of this Act shall not be construed by reason of Section 3 of Act 142, Session Laws 1935, to deprive any person of the salary which such person may be receiving during the remainder of the current biennium.

Section 3. This Act shall take effect upon its approval.

(Approved May 15, 1937.) **H.B. 110, Act 216.**

[E-181] An Act for the Relief of Certain Persons, Firms, Copartnerships or Corporations for Losses Sustained by Them Occasioned by an Order of the Board of Commissioners of Agriculture and Forestry Requiring the Destruction of Their Taro Crops and Prohibiting the Further Planting of Taro for a Period of One Year on Account of an Infestation of the Taro Leafhopper, *Megamelus Proserpina*.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of eight thousand nine hundred and ninety-four dollars and fifty cents (\$8,994.50), is hereby appro-

priated out of the general revenues of the Territory of Hawaii for the purpose of reimbursing the following persons, firms, copartnerships or corporations for their losses on account of the destruction of their taro crops and a prohibition of the planting of taro for a period of one year by the Board of Commissioners of Agriculture and Forestry, the amounts set opposite their respective names:

Ling Sing Wai.....	\$2,292.00
Mow Hoong Wai.....	2,250.00
Lee Wo.....	585.00
Lee Kwai.....	420.00
Henry Lew.....	50.00
Joseph Iao.....	150.00
Alexander Tripp.....	17.50
E. O. Farm.....	20.00
John P. Mattson.....	750.00
Kamijo Higa.....	360.00
Frank Kahao.....	60.00
Saburo Goya.....	40.00
Tsuru Gima & Oshi Oshira.....	280.00
Taro Yogi.....	80.00
Kiijo Yamashiro.....	160.00
John McCabe.....	200.00
Otokita Ninu.....	320.00
Kami Serikaku.....	400.00
Fukumatsu Yanagi.....	340.00
Kami Suha.....	160.00
Seisuke Yonashiro.....	60.00
	<hr/>
	\$8,994.50

in full discharge of their respective claims on account of all losses sustained by them through and resulting from the destruction of their taro crops and a prohibition of the planting of taro for one year.

Section 2. Payment of the sums set forth above shall be made by the Treasurer of the Territory of Hawaii upon warrants drawn by the Auditor based upon vouchers approved by the proper officers of said Board.

Section 3. The sum of one thousand dollars (\$1,000.00) is hereby appropriated out of the general revenues of the Territory of Hawaii, in addition to the sums hereinabove appropriated, to be paid to such persons as may be determined to be entitled thereto as follows:

Any person not named in said section 1 who has a claim for losses arising out of the same causes as, and similar to, those set forth in section 1 shall apply to said Board within ninety days after the effective date of this Act for adjudication of such claim. The Board shall thereupon proceed to investigate such claim according to the same standards and in the same manner as was done with respect to the claims mentioned in section 1, and, if the Board shall adjudge the claim of such person to have the same merit as the claims set forth in section 1, the Board shall determine the amount of the loss for which such person is entitled to be reimbursed, and shall make an award thereof in writing. The amount so awarded shall be paid out of the appropriation made by this section in the same manner as provided in section 2 of this Act, and such payment shall have the same effect as payments made under section 1. The award of said Board shall be final for the purposes of this section.

All claims filed pursuant to this section shall be paid in the order of filing the same to the extent permitted by said appropriation.

Section 4. This Act shall take effect upon its approval.

(Approved May 11, 1937.) H.B. 312, Act 206.

[E-182] An Act Authorizing, Empowering and Directing the Board of Agriculture and Forestry of the Territory of Hawaii to Indemnify and Pay the Claims of Certain Owners for Animals Slaughtered for Bovine Tuberculosis.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Agriculture and Forestry is hereby authorized, empowered and directed, out of any monies appropriated and provided for the biennium 1935-1937, to indemnify and pay the claims of the hereinafter named persons, firms or corporations for such animals as were ordered slaughtered by the said Board during the months of March, April, May and June of 1935 under the authority and provisions of Act 39, Special Session Laws of 1932, as follows:

Shimabukuro Dairy	\$ 20.00
Moanalua Dairy	127.93
Vincent Souza	25.00
Ewa Plantation Company.....	53.92
Manuel Freitas	99.98
Waialeale Training School.....	40.00
T. Tomita	43.72

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[SERIES E-182.—Act 141

[SERIES E-183.—Act 198

[SERIES E-184.—Act 163

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Manuel Gonsalves, Jr.	34.36
Samuel Mahelona Memorial Hospital.....	23.74
Kilauea Sugar Company.....	22.59
Hawaii Dairy	74.70
	<hr/>
	\$565.94

Section 2. Payment of the sums set forth above shall be made by the Treasurer of the Territory upon warrants drawn by the Auditor based upon vouchers approved by the proper officers of the Board of Agriculture and Forestry.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) H.B. 311, Act 141.

[E-183] An Act Appropriating Three Hundred Fifteen Dollars (\$315.00) for Salary Due to John J. Kamioka.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from the territorial general fund the sum of three hundred fifteen dollars (\$315.00), being salary due to John J. Kamioka, as a tax department valuation engineer, for the months of April, May and June, 1935, at the rate of one hundred five dollars (\$105.00) per month, to be paid by the territorial treasurer to the said John J. Kamioka upon a voucher of the territorial auditor, who is hereby authorized and directed to issue the same.

Section 2. This Act shall take effect upon its approval.

(Approved May 10, 1937.) S.B. 334, Act 198.

[E-184] An Act Making an Appropriation for the Relief of Charles H. W. Hitchcock.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of five hundred and eighty-four and 50/100 dollars (\$584.50) is hereby appropriated out of the general revenues of the Territory of Hawaii, for the purpose of paying one Charles H. W. Hitchcock vacation salary which he was entitled to receive and was illegally deprived of.

Section 2. This Act shall take effect upon its approval.

(Approved May 7, 1937.) H.B. 247, Act 163.

[E-185] An Act to Provide for the Reimbursement of Glenn T. Yamada for Expenditures Made by Him Resulting From Injuries Sustained While in the Employ of the Territory of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Department of Public Instruction is directed to investigate and ascertain the direct monetary expenditures made by Glenn T. Yamada resulting from the injuries sustained by him as a result of an accident suffered by him while in the employ of the Territory of Hawaii.

Section 2. The amount of such expenditures, but not in excess of One Thousand Eighty-four and 55/100 Dollars (\$1,084.55) when so determined, shall be paid to Glenn T. Yamada by the treasurer upon the warrant of the auditor supported by the voucher of the Department of Public Instruction.

Section 3. The sum of One Thousand Eighty-four and 55/100 Dollars (\$1,084.55) or so much thereof as may be necessary, is hereby appropriated from the general revenues of the Territory for the purpose of this Act.

Section 4. This Act shall take effect upon its approval.

(Approved May 7, 1937.) H.B. 310, Act 164.

[E-186] An Act for the Relief of Edmund H. Hart.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from any moneys in the territorial treasury not otherwise appropriated the sum of three hundred eighty-nine and 54/100 dollars (\$389.54) for the relief of Edmund H. Hart.

Section 2. Said sum shall be paid by the treasurer upon a warrant issued by the territorial auditor to Edmund H. Hart.

Section 3. This Act shall take effect upon its approval.

(Approved May 7, 1937.) H.B. 330, Act 165.

[E-187] An Act for the Relief of Kee Fook Zane.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The treasurer of the Territory of Hawaii is hereby authorized and directed to pay to Kee Fook Zane the sum of three hundred fifty-one and 75/100 dollars (\$351.75) for salary due him in lieu of statutory vacation earned by him as an employee in the department of the Territorial Surveyor, under the laws of the Territory.

Section 2. The said Kee Fook Zane shall, upon payment to him of said sum give receipt therefor in full discharge of any and all claims with respect to such vacation or vacation pay.

Section 3. This Act shall take effect upon its approval.

(Approved May 7, 1937.) H.B. 539, Act 167.

[E-188] An Act for the Relief of Certain Persons, Firms and Corporations, and Providing Appropriations Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated the sum of twenty-five thousand two hundred seventy-two and 33/100 dollars (\$25,272.33) from all moneys available in the general funds, for the purpose of paying the claims named in Section 2.

Section 2. The auditor of the Territory is hereby authorized, empowered and directed to issue warrants for the benefit and relief of the following persons, firms and corporations in the amounts set opposite their names, said amounts to be paid out of their respective appropriations hereinafter specified:

NAME	AMOUNT
Mrs. Maude Beers.....	\$ 301.10 Vetoed J. B. P.
Hawaiian Dredging Co., Ltd.....	726.27 Vetoed J. B. P.
E. N. Holmes.....	463.84 Vetoed J. B. P.
George J. Richardson.....	908.33 Vetoed J. B. P.
Alvah A. Scott.....	203.14 Vetoed J. B. P.
Elivira R. Smith.....	294.16 Vetoed J. B. P.
James C. A. Akina.....	15.00
Board of Water Supply.....	953.01
Theodore C. H. Char.....	409.05
Theo. H. Davies & Co., Ltd.....	143.67
Harry F. Cooper (National Guard lia-	

APPROPRIATIONS FOR PAYMENT OF CLAIMS.

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bility to Federal Government).....	1,041.31	
Joseph I. deVille (National Guard lia-		
bility to Federal Government).....	915.45	
John L. Rickard (National Guard lia-		
bility to Federal Government).....	283.64	
Raymond Fern	30.00	
Dollar Steamship Lines, Inc., Ltd.....	723.60	
Louis J. Feary.....	2,937.44	Vetoed J. B. P.
Love's Biscuit & Bread Co.....	11.40	
The Printshop	110.75	
Standard Oil Company	554.90	
Union Oil Company	89.92	
Clare von Platen	495.00	
von Hamm-Young Co., Ltd.....	11,866.24	Vetoed J. B. P.
Universal Motor Co., Ltd.....	1,065.47	Vetoed J. B. P.
Castner Garage, Ltd.	375.02	Vetoed J. B. P.
J. W. A. Baird, Trustee.....	263.39	Vetoed J. B. P.
Earl V. Gall	91.23	

Section 3. The sums hereinabove appropriated shall be paid upon the submission of vouchers on such forms and in such manner as may be approved by the territorial auditor.

Section 4. This Act shall take effect upon its approval.

Approved this 7th day of May, A.D. 1937, except as to items which are followed by the word "Vetoed J. B. P." Such items are not approved.

J. B. POINDEXTER,

Governor of the Territory of Hawaii.

H.B. 328, Act 168.

[E-189] An Act Appropriating Moneys for the Relief of Grace Brothers, Limited and Providing for the Application of Such Moneys.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of \$2,332.83 is hereby appropriated from the general fund of the Territorial Treasury for the relief of Grace Brothers, Limited for certain materials furnished and not paid for upon a territorial contract, to-wit, a contract made by the Territory of Hawaii for a water system for the Territorial Hospital at Kaneohe, Oahu.

Section 2. Said sum shall be paid to the Board of Harbor Commissioners upon the warrant of the Territorial Auditor issued upon a voucher of the Board of Harbor Commissioners. Such

voucher shall show the acquittance of Grace Brothers, Limited of the amount \$2,332.83 as part payment upon rentals now due and owing from Grace Brothers, Limited to the Board of Harbor Commissioners.

Section 3. Said sum of \$2,332.83 shall be applied by the Board of Harbor Commissioners as part of the net income required under Section 1742 of the Revised Laws of Hawaii 1935, for bond requirements and expenses of operation of harbors, wharves and properties under the control and management of the Board of Harbor Commissioners.

Section 4. This Act shall take effect upon its approval.

(Approved May 7, 1937.) **H.B. 372, Act 169.**

[E-190] An Act to appropriate Nine Hundred Dollars (\$900.00) for the Relief of Francisco Souza.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of Nine Hundred Dollars (\$900.00) is hereby appropriated out of the general revenues of the Territory of Hawaii to reimburse Francisco Souza, for certain material and services and labor supplied in connection with the construction of that certain building known as Receiving and Treatment Building, Territorial Hospital, situated at Kaneohe, Oahu.

Section 2. This Act shall take effect upon its approval.

(Approved May 7, 1937.) **H.B. 488, Act 171.**

[E-191] An Act for the Relief of Fred Miguel.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from the general revenues of the Territory of Hawaii the sum of three hundred twenty-three dollars (\$323.00) for the relief of Fred Miguel.

Section 2. The sum hereby appropriated shall be paid by the treasurer of the Territory to Fred Miguel upon a warrant issued by the auditor of the Territory.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **H.B. 302, Act 146.**

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SERIES E-193.—ACT 111]

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[E-192] An Act Appropriating Twenty-nine and 95/100 Dollars (\$29.95) to Reimburse John A. Gilman for Taxes Wrongly Assessed Against, and Paid by, Him.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from the territorial general fund the sum of twenty-nine and 95/100 dollars (\$29.95), to be paid, upon a voucher approved by the tax commissioner, to John A. Gilman to reimburse him for taxes wrongly assessed in the years 1934, 1935 and 1936 against, and paid by, him.

Section 2. This Act shall take effect upon its approval.

(Approved May 4, 1937.) **S.B. 390, Act 132.**

[E-193] An Act Appropriating the Sum of One Hundred One Dollars and Sixty-Four Cents (\$101.64) for the Relief of John Poleta Samia for Salary Earned but Not Allowed.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Prison Directors of the Territory of Hawaii is hereby authorized to pay to John Poleta Samia the sum of One Hundred One Dollars and Sixty-four Cents (\$101.64) from the current appropriation for personal services, Oahu Prison, for services rendered while a Guard but disallowed because of his citizenship status.

Section 2. The money hereby authorized shall be paid by the Treasurer of the Territory upon a warrant issued by the Auditor of the Territory for said sum to the said John Poleta Samia upon voucher being approved by the Chairman of the Board of Prison Directors.

Section 3. This Act shall take effect upon its approval.

(Approved April 28, 1937.) **H.B. 399, Act 111.**

CITY AND COUNTY OF HONOLULU.

[E-194] An Act Authorizing the Police Commission of the City and County of Honolulu to Make a Payment to Chas. S. Davis.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Police Commission of the City and County of Honolulu is hereby authorized and empowered to pay unto Chas.

S. Davis the sum of three hundred fifty dollars (\$350.00) for services rendered by himself and others in the case of Jacinth Miranda vs. Robert O. Griffen.

Section 2. The auditor of the City and County of Honolulu is hereby authorized, empowered and directed to draw a warrant in favor of said Chas. S. Davis for said sum against funds appropriated for the use of said Commission in the event a voucher therefor is approved by said Police Commission and the Treasurer of said City and County is hereby authorized, empowered and directed to pay any warrant so drawn.

Section 3. This Act shall take effect upon its approval.

(Approved May 6, 1937.) **H.B. 524, Act 148.**

[E-195] An Act Authorizing and Directing the City and County of Honolulu to Pay Jacinto Batangan the Sum of Five Hundred Dollars (\$500.00) for Property and Personal Injuries Received From Being Struck by a Fire Engine.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Supervisors of the City and County of Honolulu is hereby authorized and directed to pay to Jacinto Batangan the sum of Five Hundred Dollars (\$500.00) for property and personal injuries sustained by said Jacinto Batangan, while in his parked automobile, from being struck by a fire engine of the City and County.

Section 2. This Act shall take effect upon its approval.

(Approved May 17, 1937.) **H.B. 471, Act 227.**

[E-196] An Act for the Relief of Mary Armsby Palmer.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Supervisors of the City and County of Honolulu is hereby authorized, empowered and directed to appropriate and pay to Mary Armsby Palmer the sum of Five Hundred Fifty-Five Dollars (\$555.00), being the costs of her attendance at the trial in the City and County of Honolulu of the case of "Territory of Hawaii vs. Robert Gordon McNamarra".

Section 2. This Act shall take effect upon its approval.

(Approved April 27, 1937.) **H.B. 477, Act 83.**

[E-197] An Act Making an Appropriation for the Relief of James K. Pokipala.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Supervisors of the City and County of Honolulu is hereby authorized and directed to make an appropriation in the sum of Nine Hundred Eighty Five Dollars (\$985.00) for salary due James K. Pokipala, as a Police Officer of the Honolulu Police Department from January 3rd., 1932, to July 20th., 1932.

Section 2. This Act shall take effect upon its approval.

(Approved April 21, 1937.) H.B. 210, Act 47.

[E-198] An Act Relating to Payment of Mario Valdastrì for Materials Furnished and Used in Construction of Honolulu Police Station.

WHEREAS, the City and County of Honolulu did in the year 1931 make and enter into a contract with F. M. Dias for the construction and erection of a police station for the City and County of Honolulu for the contract price of \$215,000.00; and

WHEREAS, in accordance with the requirements of the laws of the Territory of Hawaii the said F. M. Dias did furnish a bond to the City and County of Honolulu in the penal sum of \$58,000.00, the said F. M. Dias being the principal under said bond, and C. K. Ai and Tong Phong, residents of Honolulu, being the sureties upon said bond, and the aforesaid sureties were approved and accepted by the City and County of Honolulu as good and sufficient sureties upon said bond; and

WHEREAS, Mario Valdastrì did furnish and supply certain materials which were used in the erection and construction of said Honolulu police station and as F. M. Dias, the contractor, did not pay in full for said materials, there remained due a balance of \$3,786.86 to be paid by F. M. Dias to the said Mario Valdastrì for said materials; and

WHEREAS, in an action brought by Hilgartner Marble Company in 1932, in the Circuit Court, First Judicial Circuit, Territory of Hawaii, against F. M. Dias, C. K. Ai and Tong Phong upon the bond hereinabove referred to, the said Mario Valdastrì did intervene and did recover a judgment against the aforesaid F. M. Dias, C. K. Ai and Tong Phong in said action for the amount remaining due for said materials so furnished; and

WHEREAS, said Mario Valdastri has made diligent efforts to collect said judgment but has been unable to collect the same and there remains due and owing to said Mario Valdastri the balance of the contract price for said materials so furnished;

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Supervisors of the City and County of Honolulu is hereby authorized and directed to appropriate out of the general funds of the City and County of Honolulu the sum of \$3,786.86, as payment in full of the balance due Mario Valdastri for materials supplied by Mario Valdastri to the contractor and used in the erection and construction of Honolulu police station, and the Auditor of the City and County of Honolulu is hereby authorized and directed to draw warrants on the Treasurer of the City and County of Honolulu for the said sum of \$3,786.86 in favor of Mario Valdastri.

Section 2. This Act shall take effect upon its approval.

(Approved May 7, 1937.) **H.B. 374, Act 170.**

[E-199] An Act Making an Appropriation for the Relief of Val Cederlof, John Cluney and Manuel Freitas.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of supervisors of the City and County of Honolulu is hereby authorized and directed to make an appropriation in the aggregate sum of three thousand four hundred fifty dollars (\$3,450.00) for payment to the following named persons of the sums set opposite their respective names for salary due them for services performed by each of them as duly appointed police officers of said City and County from January 1 to August 21, 1930:

Val Cederlof	\$1,150.00
John Cluney	1,150.00
Manuel Freitas	1,150.00
Total	\$3,450.00

Section 2. This Act shall take effect upon its approval.

(Approved May 15, 1937.) **H.B. 425, Act 219.**

COUNTY OF HAWAII.

[E-200] An Act Authorizing and Empowering the Board of Supervisors of the County of Hawaii to Pay the Claim of Archie M. Kennedy for Damages to His Car Incurred in the Line of Duty.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of supervisors of the county of Hawaii is hereby authorized and empowered to appropriate from any available funds, and pay to Archie M. Kennedy, the sum of three hundred and fifty dollars (\$350.00) for damages incurred to his car on December 30, 1936, while he was using the same in line of duty and the same being washed over the embankment at Honolii, Hilo, Hawaii.

Section 2. The aforesaid sum shall be paid only upon the execution by the said Archie M. Kennedy and delivery to the said board of a full release of said county from all further liability on account of such claim.

Section 3. This Act shall take effect upon its approval.

(Approved May 18, 1937.) **S.B. 396, Act 240.**

[E-201] An Act Authorizing and Empowering the Board of Supervisors of the County of Hawaii to Pay the Claim of Martin Palmer for Damages to his Car Incurred in the Line of Duty.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of supervisors of the county of Hawaii is hereby authorized and empowered to appropriate from any available funds, and pay to Martin Palmer, the sum of three hundred dollars (\$300.00) for damages incurred to his car on September 2, 1934, while he was using the same in line of duty in attempting to convey an offender to the Laupahoehoe police station.

Section 2. The aforesaid sum shall be paid only upon the execution by the said Martin Palmer and delivery to the said board of a full release of said county from all further liability on account of such claim.

Section 3. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **S.B. 81, Act 69.**

COUNTY OF MAUI.

[E-202] An Act Authorizing and Directing the Board of Supervisors of the County of Maui to Pay the Claims of Certain Persons.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of supervisors of the county of Maui is hereby authorized and directed to pay the following claims:

W. E. Bal, Jr., for salary due for services as district overseer for Wailuku, Maui, from January 1, 1937 to January 17, 1937, inclusive.....\$ 95.97

Francis V. Marciel, for salary and automobile allowance due for services as district overseer for Hana, Maui, from January 1, 1937 to January 17, 1937, inclusive 85.00,

and

A. L. Burdick	288.00
A. L. Garcia	93.60
Benj. Kaiuwailani	162.00
D. Kapohakimohewa	154.80
Chas. Kaluakini	68.40
Ned Goodness	36.00
Frank H. Sylva	18.00,

for pay for the vacations which they had earned at the time of the dissolution of the county engineer's office.

Section 2. This Act shall take effect upon its approval.

(Approved May 3, 1937.) **H.B. 367, Act 129.**

MISCELLANEOUS APPROPRIATIONS.

[E-203] An Act to Provide for the Expenses of Transportation and Entertainment, in the Calendar Year of 1937, of Official Committees of the Senate or of the House of Representatives of the Congress of the United States, Together With Families of the Members of Such Committees, Authorized by Congress or by the Senate Committee on Territories and Insular Affairs or by the House of Representatives Committee on Territories to Visit Hawaii for a Survey of the Subject of Statehood and of the Other Subjects Relating to the Welfare of Said Territory, and for the Disbursement of Money Herein Appropriated.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of Twenty Thousand Dollars (\$20,000.00) is hereby appropriated, out of any moneys in the treasury of the

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Territory of Hawaii not otherwise appropriated, for the payment of the expenses of transportation and entertainment of the members of any official committees of the Senate or of the House of Representatives of the Congress of the United States, together with families of the members of such committees, authorized by Congress or by the Senate Committee on Territories and Insular Affairs or by the House of Representatives Committee on Territories to visit Hawaii for a survey of the subject of Statehood, and of other subjects relating to the welfare of said Territory, who shall visit the Territory of Hawaii prior to December 31, 1937.

Section 2. The Governor, the Delegate and four members of the Legislature shall constitute a committee to entertain and provide entertainment for the members of such party within the Territory of Hawaii. Two of the members of the Legislature in said committee shall be chosen by the Senate from among its members and two shall be chosen by the House of Representatives from among its members.

Section 3. The Governor shall be chairman of such committee.

Section 4. The money hereby appropriated shall be expended upon warrants issued by the auditor of the Territory upon vouchers authorized by the committee and signed by the chairman of such committee.

Section 5. This Act shall take effect and be in force from and after the date of its approval.

(Became effective April 22, 1937, without the Governor's signature.)
H.B. 108, Act 55.

[E-204] An Act Making a Further Appropriation for the Purposes Set Forth in Joint Resolution No. 2 of the Special Session of 1933 Approved January 12, 1934, Authorizing and Approving the Condemnation of Certain Lands Adjoining the Territorial Fair Grounds as an Addition to Said Grounds and Providing an Appropriation Therefor.

Be it Enacted by the Legislature of the Territory of Hawaii:

WHEREAS, by **Joint Resolution No. 2** of the Special Session of 1933 approved January 12, 1934, the governor and the land commissioner were authorized to acquire before June 30, 1934, by purchase or by exercising, through the superintendent of public works, the power of eminent domain, certain lands in said Joint Resolution described, as an addition to the territorial fair grounds; and

WHEREAS, by said Joint Resolution there was appropriated the sum of forty-eight thousand four hundred dollars (\$48,400.00) from the general revenues of the Territory for the purposes of said Joint Resolution; and

WHEREAS, the superintendent of public works did, on June 23, 1934, cause to be filed, in the circuit court of the first judicial circuit of the Territory of Hawaii, his petition in eminent domain against the owners of the lands described in said Joint Resolution No. 2 and thereafter prosecute the same to final judgment; and

WHEREAS, the total amount of awards in favor of the owners of said lands exceeded the amount of the appropriation provided in said Joint Resolution No. 2 and the superintendent of public works has been unable to pay said awards in full, now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the sum of ten thousand dollars (\$10,000.00), or so much as may be necessary, is hereby appropriated from the general revenues of the Territory for the purpose of paying the balance due, with interest as by law provided, on account of the awards to the owners of the property condemned in accordance with provisions of said Joint Resolution No. 2.

Section 2. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **S.B. 343, Act 75.**

[E-205] An Act to Provide for the Expenses of Entertainment of the Officers and Personnel of the United States Fleet and of the Newspaper Men Accompanying Said Fleet to Hawaii as Guests of the United States Navy, During the Visit or Visits of Said Fleet to Hawaii in 1937 and 1938; to appropriate the Sum of Twenty Thousand Dollars (\$20,000.00) for Said Entertainment; and to Authorize the Boards of Supervisors of the Counties and the City and County of Honolulu to appropriate and Expend Funds for the Aforesaid Entertainment.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of twenty thousand dollars (\$20,000.00), or so much thereof as shall be necessary, is hereby appropriated out of any moneys in the treasury of the Territory of Hawaii, not otherwise appropriated, for the payment of the expenses of entertainment of the officers and personnel of the United States Fleet and of the newspaper men accompanying said Fleet to Hawaii, as guests of the United States Navy, during the visit or

visits of said Fleet to Hawaii in 1937 and 1938. Of said sum so appropriated not more than ten thousand dollars (\$10,000.00) shall be expended during any one of said years.

Section 2. The aforesaid sum or so much thereof as shall be necessary, shall be disbursed on warrants drawn by the auditor of the Territory, based upon vouchers approved by a committee of five (5) members, one of which shall be a resident of the Island of Hawaii, one a resident of the Island of Maui, one a resident of the Island of Kauai, and two residents of Oahu, to be known as the United States Fleet Entertainment Committee, which shall be appointed by the Governor in the manner and subject to the provisions of Section 80 of the Organic Act, within five (5) days after this Act takes effect.*

Section 3. The Board of Supervisors of the City and County of Honolulu is hereby authorized to appropriate and expend in the manner hereinafter provided, the sum of two thousand five hundred dollars (\$2,500.00) each year in the years 1937 and 1938 out of the current or general fund of the city and county for the payment of the expenses of entertainment of the said officers, personnel and newspaper men mentioned and described in Section 1 of this Act. No portion of any funds so appropriated shall be deemed to be a portion of the amount authorized to be appropriated by paragraph numbered 32 of Section 3021.

Section 4. The aforesaid sum of two thousand five hundred dollars (\$2,500.00), or so much thereof as may be appropriated, shall be disbursed on warrants drawn by the auditor of the city and county based upon vouchers approved by the aforesaid United States Fleet Entertainment Committee.

Section 5. The boards of supervisors of the various counties are also hereby authorized to appropriate such funds as they may desire to appropriate for the aforesaid entertainment purposes, and no portion of any funds so appropriated shall be deemed to be a portion of the amount authorized to be appropriated by paragraph numbered 9 of Section 2833.

Section 6. It is provided, however, that the United States Fleet Entertainment Committee may allot from the amount hereby appropriated for entertainment of the Fleet while visiting the ports of the Islands of Maui, Hawaii and Kauai; not to exceed two thousand dollars (\$2,000.00) to the Island of Hawaii, two thousand dollars (\$2,000.00) to the Island of Maui, and one thousand (\$1,000.00) to the Island of Kauai.

Section 7. This Act shall take effect upon its approval.

(Approved May 4, 1937.) **H.B. 244, Act 130.**

[E-206] An Act to Provide for the Restoration and Maintenance of the Throne Room of Iolani Palace.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of five thousand dollars (\$5,000.00) is hereby appropriated out of any moneys of the treasury, not otherwise appropriated, to be drawn upon vouchers approved by the Secretary of Hawaii and the Superintendent of Public Works, for the restoration and maintenance of the Throne Room of Iolani Palace.

Section 2. This Act shall take effect upon its approval.

(Approved May 6, 1937.) **H.B. 93, Act 149.**

[E-207] An Act Making an Appropriation for the Upkeep, Maintenance and Repairs of the Hulihee Palace in Kona, Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of seven thousand five hundred dollars (\$7,500.00) is hereby appropriated out of the general revenues of the Territory of Hawaii toward the upkeep, maintenance and repairs of the property of the Territory known as the "Hulihee Palace" at North Kona, Island of Hawaii.

Section 2. The sum hereby appropriated shall be disbursed on warrants drawn by the Auditor of the Territory based on vouchers approved by the Superintendent of Public Works, who is hereby charged with carrying out the intent of this Act.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **H.B. 197, Act 136.**

[E-208] An Act Making an Appropriation for the Transporting, Guarding, Housing and Maintaining of Territorial Prisoners to the County of Hawaii for Work on Certain Projects.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of ten thousand dollars (\$10,000.00) is hereby appropriated from the general fund of the Territory, in addition to any other similar appropriations for the same or other projects in the county of Hawaii, to cover expenses of transport-

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ing, guarding, housing and maintaining such territorial prisoners as may be detailed to the county of Hawaii pursuant to section 6436 of the Revised Laws of Hawaii 1935, for work on the Hilo airport and on improvements at the new site for Puumale Home, in the county of Hawaii.

Section 2. All expenditures of such funds shall be made upon vouchers approved by the chairman of the board of prison directors.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **S.B. 99, Act 147.**

[E-209] An Act Making an Appropriation to Cover Expenses of Transporting, Guarding and Maintaining Territorial Prisoners Detailed to the County of Maui for Combating the Gorse Plant (Common Furze), for the building and/or Maintenance of a Road to the Kula Pipeline and Water Heads, for Exploration for and Development of Additional Water, and for Reforestation of Territorial Lands Adjacent to Olinda Prison Camp.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of five thousand dollars (\$5,000.00) is hereby appropriated out of the general fund of the Territory not otherwise appropriated, to cover expenses for transporting, guarding and maintaining territorial prisoners detailed to the county of Maui for combating the gorse plant (common furze), for the building and/or maintenance of a road to the Kula pipeline and water heads, for exploration for and development of additional water, and for reforestation. Provided, that all unexpended moneys appropriated by Act 84 of the Session Laws of 1931, Act 61 of the Session Laws of 1933, and by Act 30 of the Session Laws of 1935, shall be available for the purposes of this Act.

Section 2. All expenditures under this Act shall be made upon vouchers approved by the chairman of the board of prison directors.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **S.B. 69, Act 143.**

[E-210] An Act Making an Appropriation to Cover Expenses for Transporting to Their Native Lands Certain Persons Released From Oahu Prison for That Purpose.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of Five Thousand Dollars (\$5,000.00) is hereby appropriated from the general fund of the Territory to cover the expenses of transporting to their native lands any aliens, or non-citizens of the United States who may be released from Oahu Prison for the purpose of returning or being returned to their native lands.

Section 2. All expenditures under this Act shall be upon vouchers approved by the Chairman of the Board of Prison Directors.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **H.B. 155, Act 135.**

[E-211] An Act Appropriating Five Hundred Dollars (\$500.00) for Compiling, Classifying and Indexing the Session Laws of Hawaii 1937.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from the general fund of the Territory the sum of five hundred dollars (\$500.00) for the purpose of employing a person to compile, classify and index the Session Laws of Hawaii 1937, the same to be disbursed upon vouchers approved by the secretary of the Territory.

No person shall be employed for the above purpose unless he has had prior experience in such work as is contemplated by section 2 of the Revised Laws of Hawaii 1935, as amended by Act 10, Series A-3, of the Session Laws of Hawaii 1935, the provisions of which Act shall form the guide for such person as is hereunder employed.

A regular deputy of the attorney general, if otherwise qualified under this Act, shall be eligible to employment, and to receive compensation hereunder, in addition to his regular salary, any existing or subsequently enacted law of the Territory to the contrary notwithstanding.

Section 2. This Act shall take effect upon its approval.

(Approved April 19, 1937.) **S.B. 125, Act 35.**

APPROPRIATIONS FOR COFFEE INDUSTRY EXPERIMENTATION AND
HAWAII JUBILEE COMMISSION.

SERIES E-212.—ACT 142]

SERIES E-213.—ACT 154]

379

[E-212] An Act Making an Appropriation of Five Thousand Dollars (\$5,000.00) for Investigation and Experimentation in the Coffee Industry by the University of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of Five Thousand Dollars (\$5,000.00) is hereby appropriated from the general revenues of the Territory of Hawaii for investigation and experimentation in the coffee industry.

Section 2. Said sum shall be disbursed by the treasurer upon warrants issued by the auditor upon vouchers approved by the Board of Regents of the University of Hawaii.

Section 3. Said appropriation shall be disbursed by the Board of Regents of the University of Hawaii for investigation and experimentation in the coffee industry to determine and improve methods in the culture, marketing and harvesting of coffee and to determine particularly any savings which might be made in methods of handling, processing and marketing the crop.

Section 4. The Board of Regents of the University of Hawaii shall submit a report of the results of their investigations and experimentations together with any recommendations made thereon to the Legislature of the Territory of Hawaii at its next general session.

Section 5. This Act shall take effect upon its approval.

(Approved May 5, 1937.) H.B. 544, Act 142.

[E-213] An Act Making Deficiency and Current Appropriations for the Hawaii Jubilee Commission Provided for by Act 202, Series A-186, of the Session Laws of Hawaii 1935.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of three thousand five hundred dollars (\$3,500.00) is hereby appropriated out of the general revenues of the Territory, for the purpose of meeting an obligation in said amount incurred by the Hawaii Jubilee Commission (created by Act 202, Series E-186, of the Session Laws of Hawaii 1935) to the Advertiser Publishing Company, Limited (Honolulu Advertiser), which remains unpaid due to insufficient appropriations therefor. The said sum shall be disbursed upon warrant of the territorial auditor, based upon a voucher approved by the chairman of said commission.

Section 2. The sum of three thousand dollars (\$3,000.00) is hereby appropriated out of the general revenues of the Territory for the celebrations provided for by said Act 202, Series E-186, during the period from the approval of this Act to the 30th day of June, 1939, to be expended by the Hawaii Jubilee Commission pursuant to said Act.

Section 3. This Act shall take effect upon its approval.

(Approved May 6, 1937.) **S.B. 352, Act 154.**

[E-214] An Act to Provide for the Building and Equipping of a Women's Dormitory at the University of Hawaii and Appropriating Funds for Such Improvement.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That there is hereby appropriated for the purpose of constructing a Women's Dormitory at the University of Hawaii, all available moneys hereafter in the treasury of the Territory or hereafter received by the Treasurer for or on account of the sale and disposal of that certain parcel of land now owned by the Territory of Hawaii and under the control and management of the Board of Regents of the University of Hawaii, located at the makai Waikiki corner of Kapiolani and Lunalilo Streets, in Honolulu, City and County of Honolulu, Territory of Hawaii, being all of the land described in Certificate of Title of the Land Court of the said Territory No. 1958, and deposited in that certain special fund designated "University of Hawaii, Women's Dormitory Fund".

Section 2. The moneys appropriated under Section 1 hereof shall be expended by the Board of Regents of the University of Hawaii.

Section 3. This Act shall take effect upon its approval, provided that House Joint Resolution No. 29, entitled "Joint Resolution requesting the Governor of Hawaii to transfer from the Board of Regents of the University of Hawaii to the Commissioner of Public Lands of the Territory of Hawaii and providing for the sale and disposition of that certain parcel of land located at the makai, Waikiki corner of Kapiolani and Lunalilo Streets in Honolulu, Territory of Hawaii, being all of the land described in Certificate of Title No. 1958 of the Land Court of the said Territory", becomes law.

(Approved April 12, 1937.) **H.B. 269, Act 25.**

APPROPRIATIONS FOR KAPIOLANI MATERNITY HOSPITAL AND
SECRETARY'S SALARY.

SERIES E-215.—ACT 176]

SERIES E-216.—ACT 180]

381

[E-215] An Act Appropriating Funds for the Maintenance of Free Beds at the Kapiolani Maternity & Gynecological Hospital.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of seven thousand five hundred dollars (\$7,500.00) shall be deemed to be, and hereby is, appropriated annually on July 1 of each year for the ensuing fiscal year, to be paid before July 31 of such year by the treasurer of the Territory upon a warrant of the auditor of the Territory, who (subject to the provisions of this Act) is hereby directed to issue the same, to the Kapiolani Maternity & Gynecological Hospital; provided, that no such warrant shall be issued or paid in any such year until and unless such hospital, by its duly authorized officers, shall in writing agree with the Territory, in consideration of such payment, to furnish and maintain and make available at all times during the ensuing fiscal year at least five free beds for indigent maternity patients, and unless the auditor of the Territory shall be satisfied that said hospital is not in default in the performance of any such undertaking on the part of said hospital for the preceding fiscal year.

Section 2. This Act shall take effect upon its approval.

(Approved May 8, 1937.) S.B. 277, Act 176.

[E-216] An Act Making an Appropriation for the Payment of a Territorial Salary to the Secretary of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The treasurer of the Territory is hereby authorized and directed to pay to the secretary of Hawaii, upon warrants issued by the auditor of the Territory, a sum each month, which, together with the amount received by him as salary from the government of the United States, shall equal six hundred twenty-five dollars (\$625.00) per month, it being the intention hereby to provide for the secretary of Hawaii an annual salary of seventy-five hundred dollars (\$7500.00), which shall include such portion thereof as shall be payable to him by the government of the United States and such sum as may be necessary to make such payment is hereby appropriated out of any moneys received in the treasury from the general revenues.

Section 2. This Act shall take effect July 1, 1937.

(Approved May 8, 1937.) S.B. 381, Act 180.

[E-217] An Act Making an Appropriation for Certain Public Improvements for Institutions Under the Control of the Board of Hospitals and Settlement.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of two hundred twenty-five thousand dollars (\$225,000.00) is hereby appropriated out of the general revenues of the Territory, of which amount the sum of two hundred twenty thousand dollars (\$220,000.00) shall be for new buildings, additions, repairs, improvements to buildings and grounds, and furnishing and equipment for the following institutions under the control of the board of hospitals and settlement: Settlement at Kalaupapa, Kalihi Hospital and Kapiolani Girls' Home, and the sum of five thousand dollars (\$5,000.00) is for the use of the board of hospitals and settlement in paying the amounts agreed upon by the board and owners of private dwellings, for private dwellings wrecked or otherwise removed in carrying out the program of rehabilitation at Kalaupapa settlement.

Section 2. The board of hospitals and settlement, with the approval of the governor, shall allocate or reallocate from time to time to said institutions such proportion of said appropriation as they shall deem proper in view of the needs of such respective institutions.

All expenditures hereunder shall be upon vouchers approved by the chairman of the board; provided, however, that all contracts entered into for the construction, reconstruction or repair of any buildings, and/or improvements under this Act, shall be entered into on behalf of the Territory by the superintendent of public works, with the approval of the board, and that all payments made under or pursuant to any such contract shall be made upon vouchers approved jointly by the superintendent of public works and the chairman of the board, and provided further, that the provisions of chapter 4 of the Revised Laws of Hawaii 1935, as amended, and/or any other law imposing restrictions upon the expenditures of public moneys by contract or otherwise shall be and are hereby declared inapplicable to expenditures to be made under this Act.

Section 3. This Act shall take effect upon its approval.

(Approved May 8, 1937.) **H.B. 145, Act 183.**

[E-218] An Act to Appropriate Money for the Expenses of the Senate of the Territory of Hawaii for the Periods Herein Specified.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from the general fund of the Territory the sum of sixty-five thousand dollars (\$65,000.00), or so much thereof as is necessary, for the purpose of defraying the expenses of the Senate of the Nineteenth Legislature of the Territory of Hawaii for the period commencing February 17, 1937, and ending November 7, 1938.

Section 2. Should there remain any balance of the aforesaid sum of sixty-five thousand dollars (\$65,000.00) unexpended and not contracted for expenditure at the expiration of the aforesaid period, either by said Senate or any holdover committee or committees thereof duly authorized by said Senate to act after the close of the regular session of 1937, such balance is hereby appropriated for the purpose of defraying the expenses of any such holdover committee or committees incurred prior to the convening of any session of the Twentieth Legislature of the Territory of Hawaii.

Section 3. Each section of this Act is hereby declared to be severable from the remainder of said Act.

Section 4. This Act shall take effect upon its approval.

(Approved February 24, 1937.) **S.B. 1, Act 2.**

[E-219] An Act to Appropriate Money for the Expenses of the House of Representatives of the Territory of Hawaii for the Periods Herein Specified.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from the public treasury the sum of eighty-five thousand dollars (\$85,000.00), or so much thereof as may be necessary, for the purpose of defraying the expenses of the House of Representatives of the Nineteenth Legislature of the Territory of Hawaii for the period commencing February 17, 1937, and ending November 7, 1938.

Section 2. Should there remain any balance of the aforesaid sum of eighty-five thousand dollars (\$85,000.00) unexpended and not contracted for expenditure at the expiration of the aforesaid

period, either by said House of Representatives or any holdover committee or committees thereof duly authorized by said House of Representatives to act after the close of the Regular Session of 1937, such balance is hereby appropriated for the purpose of defraying the expenses of any such holdover committee or committees incurred prior to the convening of any session of the Twentieth Legislature of the Territory of Hawaii.

Section 3. Each section of this Act is hereby declared to be severable from the remainder of said Act.

Section 4. This Act shall take effect upon its approval.

(Approved February 24, 1937.) **H.B. 9, Act. 1.**

[E-220] An Act to appropriate the Sum of Twelve Thousand Nine Hundred Sixty-two and 41/100 Dollars (\$12,962.41) for the Purpose of paying Drainage Canal assessments on Lands Acquired by the Territory Within Improvement District No. 37.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of \$12,962.41 is hereby appropriated out of the general fund of the Territory for the purpose of paying drainage canal assessments on lands acquired by the Territory of Hawaii within improvement district number 37 drainage canal.

Section 2. The said sum of \$12,962.41 shall be paid to the treasurer of the City and County of Honolulu by warrants drawn and issued by the auditor of the Territory of Hawaii and deposited in the special fund for said Improvement District No. 37.

Section 3. This Act shall take effect upon its approval.

(Approved May 17, 1937.) **S.B. 262, Act 239.**

PART 2. SPECIAL AS TO LOCALE.**CITY AND COUNTY OF HONOLULU.**

[E-221] An Act Fixing Certain Minimum Appropriations to Be Made by the Board of Supervisors of the City and County of Honolulu for the Years 1937 and 1938, for Certain of the Purposes Enumerated in the Law Relating to the Special School Fund Budget.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. In each of the years 1937 and 1938, the board of supervisors of the city and county of Honolulu, any provision of section 773 of the Revised Laws of Hawaii 1935 or any other law to the contrary notwithstanding, shall appropriate for new buildings, additions and improvements for schools (whether or not such amount shall have been included in the special school fund budget for such year for such city and county prescribed by said section 773) not less than the sum of \$250,000.00; and shall also appropriate, in each of such years, for all of the purposes specified in items 2 to 7, inclusive, of the form of school budget prescribed by said section 773 (whether or not such amount shall have been included in the special school fund budget for such year for such city and county) not less than the sum of \$600,000.00.

Section 2. This Act shall take effect upon its approval.

(Approved May 10, 1937.) **S.B. 341 Act 194.**

[E-222] An Act Directing and Authorizing the Board of Supervisors of the City and County of Honolulu to Issue Bonds in the Sum of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00) for the Construction of a Sanitary Sewer System in the City of Honolulu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of supervisors of the city and county of Honolulu is hereby directed, empowered and authorized to issue bonds pursuant to and in accordance with section 8041 of the Revised Laws of Hawaii 1935, in the sum of one million seven hundred fifty thousand dollars (\$1,750,000.00). Provided, that the limitations set forth in said section 8041 as to the total amount of bonds which may be issued at any time or in any one

year shall not apply to bonds issued under this Act, and that such bonds may be payable in legal tender money of the United States and need not be approved by the President of the United States in order to be valid, unless the Congress of the United States shall require such approval.

Section 2. The monies realized from such bond issue shall be expended for the construction of main interceptors, trunk lines of a minimum diameter of twelve inches, and the city and county's share of expenses for the construction and extension of laterals under improvement district assessments for such laterals, for a sanitary sewer system in the city of Honolulu.

Section 3. This Act shall take effect upon the enactment of legislation by the Congress of the United States of America authorizing such bond issue notwithstanding the limitations of section 55 of the Hawaiian Organic Act.

(Approved May 12, 1937.) H.B. 523, Act 210.

[E-223] An Act Appropriating Seven Thousand Five Hundred Dollars (\$7,500.00) for the Construction of a Library Building at Wahiawa, Oahu.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated from all moneys available in the general funds of the Territory of Hawaii the sum of seven thousand five hundred dollars (\$7,500.00) for the purpose of constructing a library building at Wahiawa, Oahu.

Section 2. The moneys hereby appropriated shall be expended by the Superintendent of Public Works of the Territory of Hawaii but any plans for the construction of the library building for Wahiawa shall first be approved by the Trustees of the Library of Hawaii.

Section 3. The library building to be constructed at Wahiawa under the terms of this Act shall, upon completion, be in charge of the Library of Hawaii.

Section 4. This Act shall take effect upon its approval.

(Approved May 18, 1937.) H.B. 42, Act 244.

[E-224] An Act Appropriating the Sum of Twenty-five Thousand Dollars as the Territory's Contribution to the City and County of Honolulu to Be Expended for the Acquisition of Public Beaches at Waikiki and Repealing Act 206, S. L. 1935.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated out of the general revenues of the Territory of Hawaii the sum of Twenty-five Thousand Dollars (\$25,000.00) which shall be used during the biennial period ending December 31, 1938, for the purpose of assisting the city and county of Honolulu to acquire property along Waikiki Beach in Honolulu for public use; provided, however, that the said appropriation shall be used only to match city and county payments for beach property acquired, at the ratio of two to one and for every amount paid by the city and county, the auditor of the Territory is authorized and directed to pay one-half of such amount out of and up to the appropriation herein provided by issuing warrants upon vouchers approved by the Superintendent of Public Works.

Section 2. Act 206, S. L. 1935, is hereby repealed.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) **H.B. 212, Act 137.**

[E-225] An Act Authorizing and Directing the Mayor and Board of Supervisors of the City and County of Honolulu to Reimburse the Kaimuki, Waialae-Palolo Improvement Club, Inc., for Deposits Made by It Toward Fund to Construct a Community Hall at Kaimuki.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The mayor and board of supervisors of the city and county are hereby authorized and directed to appropriated out of the general funds and pay to The Kaimuki, Waialae-Palolo Improvement Club, Inc., the sum of \$1,250, being the balance of moneys deposited by The Kaimuki, Waialae-Palolo Improvement Club, Inc., in a joint fund created by the city and county of Honolulu for the purpose of constructing a community hall at Kaimuki, and the contemplated Kaimuki Community Hall project having been abandoned.

When such appropriation shall have been made, the auditor of the city and county of Honolulu is authorized and directed to draw

and issue a warrant for the payment of the said sum of \$1,250 to the duly authorized officers of the said The Kaimuki, Waialae-Palolo Improvement Club, Inc.

Section 2. This Act shall take effect upon its approval.

(Approved April 2, 1937.) H.B. 187, Act 7.

[E-226] An Act Relating to the Payments Required to Be Made by the City and County of Honolulu Under Contract Entered Into in Accordance with the Provisions of Act 38, Second Special Session 1932.

WHEREAS, in purported compliance with the provisions of Act 38, Second Special Session 1932, the board of supervisors of the city and county of Honolulu entered into a contract for a period not in excess of ten (10) years for the leasing with an option to purchase of a police flash light system and additional police call box and/or fire alarm circuits and equipment, such contract being dated June 24, 1932 and executed by and between the city and county of Honolulu and The Gamewell Company; and

WHEREAS, it was provided in said Act 38, Second Special Session 1932, that the permanent improvement fund of the city and county of Honolulu could be used for payments required to be made under said contract; and

WHEREAS, by Act 100, Session Laws 1933, approved April 26, 1933, the requirement of a permanent improvement fund for the city and county of Honolulu was eliminated, and as a result of the enactment thereof some ambiguity has arisen as to the source of payment for said contract; and

WHEREAS, said The Gamewell Company completed the construction of all work required by said contract and said work and equipment has been exclusively controlled and used by the city and county of Honolulu since its completion and said city and county has not paid any of the sums required by it to be paid under said contract, and The Gamewell Company has brought suit to recover the first payment required to be made under said contract together with certain other sums; and

WHEREAS, The Gamewell Company has at all times acted in good faith in entering into and performing said contract and should in justice and fairness be paid the rentals required to be

paid by said contract without the necessity for protracted litigation, now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. It is hereby declared the true intent and meaning of Act 38, Second Special Session 1932, that the board of supervisors of the city and county of Honolulu shall have the power at any time after May 10, 1932, to enter into a contract for the purposes set forth in said Act 38, Second Special Session 1932, without a prior appropriation of the sums of money or any portion thereof required to be paid under said contract, and that the provisions of section 3, Act 62 of the Session Laws of 1903 (now section 82, Revised Laws of Hawaii 1935) and of section 1 of Act 72, Session Laws of 1911 (now section 2315, Revised Laws of Hawaii 1935) shall be inapplicable to such contract.

Section 2. The contract executed by and between the city and county of Honolulu and The Gamewell Company, dated June 24, 1932, is in all respects hereby ratified, confirmed and approved as of the date of its execution and the same is declared to be and shall be deemed to be a binding contract upon the city and county of Honolulu and enforceable in all respects in the same manner and to the same extent as all other lawful contracts of the city and county of Honolulu and all payments required under said contract are hereby made payable out of the general funds and/or current revenues of the said city and county and shall be made according to the terms of said contract as modified by that certain supplemental agreement entered into between the city and county of Honolulu and The Gamewell Company, dated April 8, 1937, which said supplemental agreement is hereby ratified and confirmed.

Section 3. This Act shall take effect upon its approval.

(Became effective April 27, 1937, having been approved by the legislature over the veto of the Governor.) **H.B. 249, Act 112.**

HAWAII.

[E-227] An Act Making An Appropriation of Forty-seven Thousand Dollars (\$47,000.00) for the Construction of Homestead Roads, County of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of forty-seven thousand dollars (\$47,000.00) is hereby appropriated from the account known as "Homestead Roads, Hawaii", for the construction of homestead roads, county of Hawaii.

Section 2. The roads to be constructed shall be designated by the board of supervisors of the county of Hawaii and approved by the commissioner of public lands of the Territory.

Section 3. Said sum of forty-seven thousand dollars (\$47,000.00) hereby appropriated shall be disbursed on warrants drawn by the auditor, based upon vouchers approved by the commissioner of public lands.

Section 4. The money herein appropriated shall only be spent for surveys and for the purchase of material and equipment upon the projects hereinabove referred to in the event that labor be supplied by the Works Progress Administration or some like federal agency.

Section 5. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **H.B. 154, Act 71.**

[E-228] An Act Making an Appropriation of Three Thousand Dollars (\$3,000.00) for the Construction of a Road, Running to the Beach, Between Lots 6 and 7 of Waiakea Warehouse Lots, Leading From Kuhio Street, to Ocean View Lots, South Hilo, County of Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of three thousand dollars (\$3,000.00) is hereby appropriated out of the general funds of the Territory of Hawaii, for the construction of a road, running to the beach between lots 6 and 7 of Waiakea Warehouse Lots, leading from Kuhio Street, to Ocean View Lots, South Hilo, County of Hawaii, Territory of Hawaii.

Section 2. The amount herewith appropriated shall be deemed an advancement out of the general revenues of the Territory, and shall be repaid into the Treasury of the Territory of Hawaii, from the proceeds of beach lot rentals of said Waiakea Warehouse Lots.

Section 3. This Act shall take effect upon its approval.

(Approved May 17, 1937.) **S.B. 191, Act 229.**

[E-229] An Act to Amend Act 175 of the Session Laws of Hawaii 1935, Relating to Transfer of Trust Fund from Waiakea Cane Crops Held by the Hawaii Welfare Bureau of the Island and County of Hawaii to the Board of Supervisors of the County of Hawaii and Directing Its Use in Connection With the Old Men's Home at Hilo, Hawaii.

Be it Enacted by the Legislature of the Territory of Hawaii.

Section 1. Sections 1 and 2 of Act 175 of the Session Laws of Hawaii 1935 are hereby amended to read as follows:

"Section 1. The Hawaii Welfare Bureau of the Island and County of Hawaii is authorized, empowered and requested to transfer to the board of supervisors of the County of Hawaii the sum of six thousand twenty-seven and 17/100 dollars (\$6,027.17), together with any interest or accumulations thereon now held by it in a trust fund, which money was received from cane crops on territorial lands at Waiakea, Hawaii.

"Section 2. Any moneys received by the board of supervisors of the County of Hawaii from the Hawaii Welfare Bureau, shall be expended by said board for the purpose of furnishing equipment for the use of the Old Men's Home formerly located at Kau, Hawaii and now located in Hilo, Hawaii."

Section 2. This Act shall take effect upon its approval.

(Approved April 5, 1937.) **H.B. 192, Act 12.**

KAUAI.

[E-230] An Act Making an Appropriation for Additions to the Court House at Lihue, Kauai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated out of the general revenues of the Territory of Hawaii the sum of Twenty Thousand Dollars (\$20,000.00) for the purpose of completing the construction and the purchase of furniture and equipment for the Lihue Court House.

Section 2. The sum hereinabove appropriated is to be paid upon warrants issued by the Territorial Auditor upon vouchers approved by the Superintendent of Public Works.

Section 3. This Act shall take effect upon its approval.

(Approved April 12, 1937.) **H.B. 206, Act 24.**

[E-231] An Act Making an Appropriation for the Extension and Construction of the Anahola Irrigation Ditch, for the Benefit of the Anahola Homestead Lands, County of Kauai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of two thousand dollars (\$2,000.00) is hereby appropriated from the account known as "Homestead Roads, Kauai," for the extension and construction of the Anahola Irrigation Ditch through the Anahola Homesteads, District of Kawaihau, Island of Kauai.

Section 2. Said sum of two thousand dollars (\$2,000.00) hereby appropriated shall be disbursed on warrants drawn by the Auditor, based upon vouchers approved by the Superintendent of Public Works.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) H.B. 135, Act 134.

[E-232] An Act Making a Special Appropriation for the Repair and Reconstruction of a Ditch for the Benefit of the Wailua Rice Fields and Kula Lots on the Island of Kauai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of Three Thousand Dollars (\$3,000.00) is hereby appropriated from the account known as Homestead Roads, Kauai, for the repair and reconstruction of the irrigation ditch running through the Wailua Rice Fields and Kula lots, District of Kawaihau, Island of Kauai.

Section 2. The said sum of Three Thousand Dollars (\$3,000.00) hereby appropriated shall be disbursed on warrants drawn by the auditor, based upon vouchers approved by the Commissioner of Public Lands.

Section 3. This Act shall take effect upon its approval.

(Approved May 5, 1937.) H.B. 384, Act 140.

[E-233] An Act to Amend Act 92 of the Session Laws of Hawaii 1935, Appropriating the Sum of Twenty-five Thousand Dollars (\$25,000.00) by Way of Advancement for the Construction of a Road at Wailua, Kauai, and Providing for the Appropriation of Said Sum, by Way of Advancement, for the Construction of a Domestic Potable Water Supply System for the Wailua Houselots and Wailua Subsistence Homesteads at Wailua, Kauai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Act 92 of the Session Laws of Hawaii 1935, is hereby amended to read as follows:

“Section 1. The sum of twenty-five thousand dollars (\$25,000.00) or so much thereof as may be necessary, is hereby appropriated by way of advancement out of any monies in the treasury of the Territory of Hawaii, not otherwise appropriated, for the construction of a domestic potable water supply system for the Wailua house lots and Wailua homesteads at Wailua, Kauai.

“Section 2. The said sum of twenty-five thousand dollars (\$25,000.00) shall be disbursed on warrants drawn by the auditor, based on vouchers approved by the commissioner of public lands, who shall construct said domestic potable water supply system by contract with or through the board of supervisors of the county of Kauai, provided, however, that no portion of the sum hereby appropriated shall be expended until the board of supervisors of the county of Kauai has appropriated and deposited with the commissioner of public lands the sum of twenty-five thousand dollars (\$25,000.00) to be merged and expended with the sum hereby appropriated for the construction of said domestic potable water supply system.

“Section 3. The money hereby appropriated shall be deemed to be an advancement out of the general fund of the Territory of Hawaii, said fund to be reimbursed from the proceeds of sale of public lands on the island of Kauai.”

Section 2. This Act shall take effect upon its approval.

(Approved May 5, 1937.) H.B. 162, Act 139.

[E-234] An Act to appropriate the Sum of Seven Thousand Five Hundred Dollars (\$7,500.00) Out of the General Revenues of the Territory of Hawaii for Repairs to and/or Maintenance of the Waimea River Embankment, at Waimea, Kauai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of seven thousand five hundred dollars (\$7,500.00) is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, for repairs to and/or maintenance of the Waimea River Embankment, at Waimea, in the County of Kauai, Territory of Hawaii.

Section 2. The said sum of seven thousand five hundred dollars (\$7,500.00) shall be disbursed on warrants drawn by the Auditor of the Territory of Hawaii, based upon vouchers approved by the Superintendent of Public Works.

Section 3. This Act shall take effect upon its approval.

(Approved May 7, 1937.) **H.B. 381, Act 166.**

[E-235] An Act to Provide for an Irrigation System for Occupants of Wailua House Lots and Subsistence Homesteads on the Island of Kauai and for the Operation Thereof.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of twenty-five thousand dollars (\$25,000.00) is hereby appropriated out of the general revenues of the Territory by way of advancement, later to be reimbursed from funds collected from the sale of public lands, island of Kauai, for the construction and installation of an irrigation system for the occupants of Wailua house lots and subsistence homesteads on the island of Kauai, to be expended on vouchers approved by the superintendent of public works. Upon completion of such system, the same shall be turned over to the board of supervisors of the county of Kauai for operation and maintenance. Said board of supervisors shall be authorized to make charges for water supplied by such irrigation system, which charges shall be fixed at the rate of ten dollars (\$10.00) per million gallons, to be collected by the board of supervisors of the county of Kauai or their agents. All receipts from such irrigation system shall become county realizations.

Section 2. This Act shall take effect upon its approval.

(Approved May 17, 1937.) **S.B. 377, Act 225.**

[E-236] An Act to Amend Act 106, Session Laws of Hawaii 1931, as Amended, by Amending Section 1 Thereof, Authorizing the County of Kauai to Issue Bonds for Public Improvements.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Section 1 of Act 106 of the Session Laws of Hawaii 1931, as said Act was amended by Act 55 of the Second Special Session Laws of Hawaii 1932, is hereby amended by substituting for the words and figures therein reading:

"Roads and bridges, Kauai Belt Road.....	\$350,000.00
Water Works, installations, extensions and/or improvements	150,000.00"
the following words and figures, to-wit:	
"Roads and bridges, Kauai Belt Road.....	\$250,000.00
Water Works, installations, extensions and/or improvements	250,000.00"

Section 2. This Act shall take effect upon its approval.

(Approved March 27, 1937.) H.B. 103, Act 4.

[E-237] An Act Authorizing the County of Kauai to Issue Bonds for Public Improvements.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The County of Kauai is hereby authorized and empowered to issue, in accordance with the provisions of Act 272 of the Session Laws of 1927, bonds in any amount not exceeding the sum of five hundred thousand dollars (\$500,000.00), said bonds to be serial bonds maturing in substantially equal annual installments, the first installment to mature in five years from the date of issue of such series and the last installment not later than thirty years from such date of issue, the moneys realized from said bonds so issued to be expended as follows:

"Roads and bridges, Kauai Belt Road.....	\$250,000.00
New school buildings.....	100,000.00
Water Works, installations, extensions and/or improvements	50,000.00
New buildings and additions, Samuel Mahelona Memorial Hospital	50,000.00
Civic Auditorium, Lihue.....	50,000.00"

Section 2. **Belt road defined.** For the purpose of this Act, the Kauai Belt Road shall be known as that road beginning at the Kekaha Post Office, passing through the villages of Waimea, Eleele, Koloa, Lihue, Kapaa and ending at the Hanalei Post Office. It shall also include that road generally known as the Nawiliwili Loop Road.

Section 3. **Feasibility estimate by county engineer.** Before expending the proceeds of said bonds for the construction of water works, the county engineer shall, in each case, make a definite estimate of the amount of water to be sold by the system to be improved, an estimate of the amount of revenue which will be produced thereby and an estimate of the amount of operating cost of the water works, together with the interest and redemption cost on account of bond moneys to be expended for the water works and shall thereby determine the financial feasibility of making such improvements and shall report his findings to the board of supervisors.

Section 4. **Principal and interest charges, how paid.** All interest on and redemption of such bonds as are issued for water works purposes shall be paid from the proceeds of water sales and service and the territorial treasurer shall, in levying taxes for interest and redemption of the bonds provided for in this Act, deduct such an amount as the expenditures for water works from the proceeds of said bonds, bear to the total of such bonds so issued. In making the annual report of the county tax requirements to the territorial treasurer, the board of supervisors shall set forth such requirements in such a manner as to clearly indicate the proportion and amount of said bonds issued for road purposes and the interest and redemption requirements thereon for the ensuing year.

Section 5. **Issues as required.** Nothing herein contained shall require the issuance of bonds in the full amount authorized herein or prevent the issuance of bonds in such amount as may be required from time to time provided that the sum total of said issues shall not exceed the amount authorized herein.

Section 6. **Federal aid.** In the event that the roads of Kauai are incorporated in the federal aid highway system of Hawaii prior to the expenditure of the road appropriation provided herein, then such part of said appropriation as may be deemed desirable by the board of supervisors shall be expended to match federal aid funds allocated to the roads of the County of Kauai.

Section 7. This Act shall take effect upon its approval.

(Approved May 8, 1937.) H.B. 292, Act 186.

MAUI.

[E-238] An Act to appropriate Funds for Completing and Equipping the National Guard Armory, Wailuku, Maui, and for Building and Equipment for an Armory on Molokai.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of \$29,500.00 is hereby appropriated out of the general revenues of the Territory for the following purposes: Completion of National Guard Armory at Wailuku,

Maui	\$12,000.00
New equipment for same.....	8,000.00
New building and equipment for National Guard Armory on Molokai.....	9,500.00

Section 2. The moneys hereby appropriated for completing said Armory at Wailuku, and so much of the moneys hereby appropriated for said Armory on Molokai as shall be necessary for such new building, shall be expended under the direction of the department of public works, and the moneys hereby appropriated for equipment shall be expended under the direction of the Military Department of the Territory.

Section 3. This Act shall take effect upon its approval.

(Approved April 15, 1937.) H.B. 107, Act 28.

[E-239] An Act Authorizing and Directing the Board of Supervisors of the County of Maui to Purchase a New Fire Engine for the Town of Wailuku.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The board of supervisors of the county of Maui is hereby authorized and directed to purchase as soon as possible a new fire engine, with a rated carrying capacity of at least one and one-half tons, for the town of Wailuku; and to appropriate out of the general revenues of said county the sum of six thousand dollars (\$6,000.00), or so much thereof as may be necessary, for such purpose.

Section 2. This Act shall take effect upon its approval.

(Approved April 26, 1937.) S.B. 52, Act 70.

[E-240] An Act Making an Appropriation of Five Thousand Dollars (\$5,000.00) for a Water Survey on the Island of Molokai.

WHEREAS, a survey of the water resources of the island of Molokai has been commenced and is now being carried on by the Bureau of Reclamation of the Department of the Interior of the United States government; and

WHEREAS, the funds, appropriated for such survey by the United States government are inadequate and additional funds in the sum of five thousand dollars (\$5,000.00) are necessary to complete the said survey; and

WHEREAS, such survey is of value and importance to the Territory of Hawaii, and, if not completed may necessitate the appropriation by the Territory of Hawaii of large sums of money to duplicate the survey undertaken and commenced by the United States government, and in addition may possibly delay or prevent the expenditure of other moneys by the said Bureau of Reclamation in developing the water resources of the said island of Molokai, now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The sum of five thousand dollars (\$5,000.00) is hereby appropriated from the general revenues of the Territory of Hawaii not otherwise appropriated for the purpose of carrying on and completing the water survey commenced and now being carried on by the Bureau of Reclamation of the Department of the Interior of the United States on the island of Molokai in this Territory.

Section 2. The appropriation, provided in section 1 hereof, may be expended for the salaries or wages of any person or persons engaged in the said survey, for materials, for rentals of equipment and for other expenses incidental to such survey. The funds herein appropriated shall be disbursed on warrants of the territorial auditor based on vouchers approved by the engineer of the said Bureau of Reclamation on the island of Molokai in charge of the said survey and the governor of the Territory of Hawaii, any other law to the contrary notwithstanding.

Section 3. This Act shall take effect upon its approval.

(Approved May 1, 1937.) S.B. 420, Act 121.

MISCELLANEOUS ACTS.

IMPROVEMENT BOND COMPROMISES, HONOLULU.

[E-241] An Act to Create a Special Fund for the Purchase of Land Under Improvement Bond Compromises; to Provide for Transfers of Funds by the Treasurer of the City and County of Honolulu into Said Fund; to Provide for Payments Out of Said Fund in Accordance with Compromise Agreements Executed as of March 30, 1937; and to Provide for the Extension of the Benefits of Said Compromise and of This Act.

WHEREAS, the city and county of Honolulu, acting under the provisions of sections 1851-1873 of the Revised Laws of Hawaii 1925, as amended prior to June 3, 1932, the effective date of Act 75, Session Laws of Hawaii 1932, has issued not less than twenty issues of improvement district bonds and/or frontage improvement district bonds; and

WHEREAS, there have been widespread defaults in the payment of improvement assessments and the interest thereon and there have been insufficient moneys in the respective special bond funds to pay the interest and principal on said bonds as the same became due, and/or will become due, and said deficiency in said special bond funds continues unrelieved; and

WHEREAS, the treasurer of the city and county of Honolulu has, by peremptory writs of mandamus issued at the request of bondholders in fifteen improvement districts and/or frontage improvement districts, been ordered by the circuit court of the first judicial circuit, at chambers, Territory of Hawaii, to buy in and pay for the defaulted lots in fifteen of said districts if, at the sale thereof, his bid is the highest, all pursuant to the provisions of section 1868 of the Revised Laws of Hawaii 1925, as amended prior to June 3, 1932, the effective date of Act 75, Session Laws of Hawaii 1932; and

WHEREAS, by reason of a default in the payment of the principal of and of the last interest coupon on bonds covering frontage improvement district No. 42, West Queen Street, on March 1st, 1937, the treasurer of the city and county is obligated to buy in and pay for the defaulted lots in said district if, at the sale thereof, his bid is the highest, pursuant to the provisions of section 1868 of the Revised Laws of Hawaii 1925, as amended prior to June 3, 1932; and

WHEREAS, there is at present available and unappropriated insufficient moneys in the general funds of said city and county to enable said treasurer to obey the mandate of the court and to perform his statutory duty in regard to said defaulted bonds; and

WHEREAS, it is imperative that additional money be made available to said treasurer for the purchase of properties in accordance with the terms of compromises made by him with the petitioners in said legal proceedings and other holders of bonds in the districts wherein said petitioners hold bonds, and the terms of a compromise made by him with the holders of bonds in frontage improvement district No. 42, West Queen Street, and for purchasing properties pursuant to compromises which may later be made with the holders of improvement district bonds and/or frontage improvement district bonds issued prior to June 3, 1932, where the assessments against property for the payment of said bonds have become or hereafter become delinquent, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The treasurer of the city and county of Honolulu shall be and is hereby authorized and directed, notwithstanding the provisions of any law or laws to the contrary, to set up a special fund, to be known as "Special Fund for the Purchase of Land under Improvement Bond Compromises."

Section 2. Said treasurer shall be and is hereby authorized and directed to transfer into said fund, during the year 1937, not less than the sum of seventy-five thousand dollars (\$75,000.) out of the improvement district revolving fund.

Section 3. Said treasurer shall be and is hereby authorized and directed to transfer into said fund, during the year 1937, not less than the sum of twenty thousand dollars (\$20,000.) from the general fund, not less than the sum of sixty thousand dollars (\$60,000.) from the fund into which surplus fuel tax collections paid to the city and county of Honolulu in 1937 have been deposited and not less than the sum of twenty thousand dollars (\$20,000.) from the road fund.

Section 4. Said treasurer shall be, and he is hereby authorized and directed to transfer into said fund during each of the years 1938 through 1941 inclusive, not less than the sum of twenty thousand dollars (\$20,000.) from the general fund, and not less than the sum of sixty thousand dollars (\$60,000.) from the fund into which surplus fuel tax collections paid to the city and county of Honolulu in the respective years has been deposited, and not less than twenty thousand dollars (\$20,000.) from the road fund,

provided, however, that if for any reason the total sums hereinabove specified are not available for transfer as aforesaid from any one or more of said funds, said treasurer shall be and he is hereby authorized and directed to transfer into said "Special Fund for the Purchase of Land under Improvement Bond Compromises", from any one or more of the following sources, an amount sufficient to make up the deficiency in any one or more of said funds:

(1) Any moneys ordered by the liquor commission of the city and county of Honolulu, to be paid out of the liquor commission fund into the general fund;

(2) The improvement district revolving fund;

(3) Any moneys collected by said treasurer as public utility franchise taxes;

Provided, further, that if for any reason the total sums hereinabove specified are not available for transfer under the procedure above specified, said treasurer shall be, and he is hereby authorized and directed to transfer into said special fund from any one or more of the sources hereinabove specified the amount of the deficiencies then remaining.

Provided, further, that the transfers into said special fund as aforesaid in order to provide moneys for the purchase of properties in accordance with the terms of those compromise agreements with bondholders executed as of March 30, 1937, shall not, during any one year during the years 1938 through 1941 inclusive, be less than, nor exceed the aggregate total sum of one hundred thousand dollars (\$100,000.) from all of the sources hereinabove mentioned.

Section 5. Said treasurer shall be and is hereby authorized and directed to transfer into said fund during each of the years 1942 through 1948 inclusive, such proportion of the sums specified in section 4 of this Act, from the sources specified in section 4 of this Act, not to exceed the totals specified in said section, as may be necessary to carry out the agreements of compromise ratified and approved by section 6 of this Act.

Despite the provisions of any other law or laws to the contrary, it shall be unlawful for the board of supervisors to appropriate, and for the auditor of the city and county of Honolulu to approve expenditures under such appropriation, any sums from the sources hereinabove specified in sections 2, 3, 4 and 5 of this Act, unless there will remain after such appropriation and expenditure the particular amounts to be transferred under the provisions of said sections, and to the extent of the amounts to be transferred as aforesaid; the transfer to be made as aforesaid shall be a first lien from the effective date of this Act on the funds from which said transfers are to be made. Provided, how-

ever, that the foregoing lien and prohibition against appropriations and expenditures shall be subject to and of no effect in regard to that stipulation executed December 24, 1936, between D. L. Conkling, treasurer, city and county of Honolulu, respondent, and E. E. Black, Limited, Bishop First National Bank of Honolulu, E. J. Lord, The Liberty Bank of Honolulu, Laupahoehoe Sugar Company, Hamakua Mill Company, Kaiwiki Sugar Company, Limited, and Honolulu Iron Works Company, petitioners, and filed on said day in Special Proceedings No. 196 in the circuit court for the first judicial circuit, at chambers, Territory of Hawaii.

Section 6. The treasurer of the city and county of Honolulu shall be and is hereby authorized and directed to pay out of said special fund for the purchase of land under improvement bond compromises from time to time such sums as may be necessary to pay for properties in the respective improvement districts and/or frontage improvement districts when said city and county has been the highest bidder therefor under the provisions of section 1868 of the Revised Laws of Hawaii 1925, as amended prior to June 3, 1932, at a sale held pursuant to the mandate of the court in Special Proceedings Nos. 299, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, to the terms of the compromise agreements dated as of March 30, 1937 made by said treasurer with the petitioners in said Special Proceedings, and with other holders of bonds in the districts wherein said petitioners hold bonds, and to the terms of the compromise agreement dated as of March 30, 1937 made by said treasurer with the holders of bonds in frontage improvement district No. 42, West Queen Street, the terms of all of said compromises being hereby ratified and confirmed.

In the event that it is impracticable for said treasurer to hold sales of properties in sufficient time to make moneys available for the payment of the sums stipulated in the compromise agreements as aforesaid, said treasurer shall and he is hereby authorized and directed to loan to the proper special fund for the improvement district and/or frontage improvement district, as the case may be, from the special fund for the purchase of land under improvement bond compromises a sum sufficient to enable the payment to be made under said compromise agreements as if said sale had been made; but such loan shall not relieve said treasurer from the duty of holding such sale as soon as practicable thereafter. Upon the sale of said property, the proceeds thereof shall be applied to the repayment of said loan, or, if the city and county of Honolulu is the purchaser of said property, said loan shall be charged off and released.

Section 7. The treasurer of the city and county of Honolulu is hereby authorized and directed to make similar compromise agreements with and to extend the benefit of this Act to the bondholders of any other improvement district bonds and/or frontage improvement bonds issued under the provisions of sections 1851-1873, of the Revised Laws of Hawaii 1925, as amended prior to June 3, 1932, the effective date of Act 75, Session Laws of Hawaii 1932, when the land owners in the respective districts are in default, upon request of the bondholders in such district or districts, such compromise to be made upon the following terms and conditions:

(1) That the bondholders of the issue desiring such benefits shall sign an agreement with said treasurer, substantially similar in terms, except for dates and amounts of payments, with the compromise agreements executed by said treasurer dated as of March 30, 1937.

(2) In such case the said treasurer shall be and is hereby authorized and directed to transfer into said special fund for the purchase of land under improvement bond compromises, in addition to the amounts provided in sections 4 and 5 of this Act, additional amounts from the sources enumerated in sections 4 and 5 of this Act, computed as follows: The additional amount to be transferred shall be such proportion of the amount specified in sections 4 and 5 of this Act as the total of outstanding bonds in the newly benefited district or districts bears to the total of outstanding bonds in all districts included under the compromise agreements executed by said treasurer under date as of March 30, 1937. In no case shall said treasurer obligate himself under compromise agreements or otherwise with the holders of bonds in such additional districts to make payments for the purchase of land or for any other purpose out of the special fund for the purchase of land under improvement bond compromises for any year in an amount greater than the additional amount to be transferred into said fund under this section.

Section 8. The treasurer of the city and county of Honolulu, notwithstanding the provisions of any law or laws to the contrary, is hereby authorized, with respect to delinquent assessments in any improvement district and/or frontage improvement district created and established under the provisions of sections 1851-1873 of the Revised Laws of Hawaii 1925, as amended prior to June 3, 1932, to enter into compromise agreements with bondholders in said districts under the provisions of which said treasurer may advertise and sell from time to time only so much of the property within any such district concerning which default has been made as will enable him to pay interest and princi-

pal, as the same becomes due, under the terms of the compromise agreements entered into as aforesaid.

Section 9. The treasurer of the city and county of Honolulu, notwithstanding the provisions of any law or laws to the contrary, is hereby authorized to enter into agreements with bondholders of improvement district bonds under the terms of which he may determine which of the properties concerning which default has been made shall be advertised and sold from time to time as follows:

Such properties shall be listed by the treasurer in such manner as to reflect the relative length of time during which default has existed in the payment of principal or interest as to each parcel thereof, the property against which such default has longest existed being listed first, and such property shall be subject to sale in such order. In case it shall become necessary to determine between two or more parcels of property against which defaults have existed for the same length of time, such determination shall be made by lot in the following manner: The treasurer shall cause to be prepared slips of paper of uniform size bearing respectively the improvement district lot numbers of such properties, together with the amounts of the unpaid assessments and interest, and shall place such slips in a suitable container in such manner that the numbers on the slips shall be hidden. He shall thereupon, in the presence of the county clerk, draw from the container the number of slips representing, in the aggregate of such unpaid assessments and interest, the approximate total sum necessary to be realized from the sale of such properties.

Section 10. Whenever property purchased by the treasurer of the city and county of Honolulu and paid for out of the "Special Fund for the Purchase of Land under Improvement Bond Compromises" shall be sold by the city and county, the proceeds of said sale shall be repaid into said special fund. When all of the improvement district bonds and/or frontage improvement district bonds, the payment of which is contemplated under the provisions of this Act and the compromise agreements executed under sections 6 and 7 thereof, have been paid in full, all moneys remaining in said Special Fund for the Purchase of Land under Improvement Bond Compromises, and all moneys thereafter received by said city and county by reason of the sale of properties which have been paid for out of said special fund or by reason of the foreclosure of assessment liens on or the sale of properties not theretofore foreclosed upon or sold, shall be pro-rated by said treasurer among the several funds from which transfers have been made into said Special Fund for the Purchase of Land

under Improvement Bond Compromises in proportion to the amounts contributed by the respective funds.

Section 11. Nothing in this Act contained shall be so construed as to require an appropriation by or the approval of the board of supervisors of the city and county of Honolulu as a prerequisite to the making by the said treasurer of any transfer, deposit or payment herein authorized or directed.

Section 12. Nothing in this Act contained shall be so construed as to affect or impair the lien of the assessments against each lot or parcel of land assessed within any improvement district until such assessments are paid in full, as provided by section 1863, Revised Laws of Hawaii 1925, nor to affect the duty of the treasurer of the city and county of Honolulu to advertise and sell all properties included in any improvement district concerning which default is made as provided in sections 1867 and 1868, Revised Laws of Hawaii 1925, as amended prior to June 3, 1932.

Section 13. Nothing in this Act contained shall be so construed that any bonds referred to under the provisions of this Act shall be considered as city and county bonds within the meaning of section 1921 Revised Laws of Hawaii 1935, as amended, nor shall the payment of any such bonds be considered a charge against the general revenues of the city and county of Honolulu.

Section 14. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

Section 15. This Act shall take effect upon its approval.

(Approved April 15, 1937.) H.B. 437, Act 31.

HONOLULU CHARTER COMMISSION.

[E-242] An Act Creating a Charter Revision Commission for the City and County of Honolulu, Providing for its Appointment, Powers and Duties, and for the Submission to the Legislature of the Territory of the Proposed Charter to Be Drafted by Such Commission.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby created a charter revision commission of the city and county of Honolulu for the purposes hereinafter

provided. The commission shall consist of fifteen (15) members who shall be appointed by the mayor of the city and county of Honolulu with the approval of the board of supervisors, one of which members shall be named by said mayor in his appointment as chairman. Any vacancy in the membership of such commission shall be filled in the same manner as the original appointment was made. The commission may make such rules for the conduct of its proceedings as it may deem necessary or appropriate. No member of the commission shall forfeit any other office or be precluded from accepting any other office by reason of his appointment as a member of such commission.

Section 2. The commission shall make a study and analysis of the existing governmental structure of the city and county of Honolulu for the purpose of securing such factual data as will enable it to draft, and the commission is hereby directed to draft a proposed new charter, adapted to the requirements of such city and county and designed to provide for the people of such city and county a more efficient and economical form of government. Such charter shall set forth the structure of the city and county government and the manner in which it is to operate. The study of any subject relevant to the property, affairs or government of the city and county of Honolulu, or of the laws relating thereto, or of any matter or thing deemed by the commission to be pertinent thereto, shall be deemed within the scope of the commission's work hereunder.

Section 3. The commission may hold public hearings at any place in the city and county of Honolulu and shall have power to administer oaths, take testimony, issue subpoenas and compel the attendance of witnesses and the production of books and papers so far as may be necessary for the performance of its duties. The commission shall have access to the books, papers, records and documents of each and every office, officer, board, bureau, body, department, division, authority, district or other agency of the city and county of Honolulu. The commission shall receive such assistance from any city and county officer or employee without extra compensation, as it may request to carry out its functions, notwithstanding any provisions of law to the contrary. The commission shall have power to appoint and at pleasure to remove a counsel and a stenographer and such assistants, employees and experts as it shall deem necessary, and to fix their compensation.

Section 4. The members of the commission shall receive no compensation but shall be entitled to be reimbursed for the actual and necessary expenses incurred by them in the performance of their duties hereunder.

SERIES E-242.—Act 218]

SERIES E-243.—Act 68]

SERIES E-244.—Act 48]

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Section 5. The proposed charter shall be submitted to the next regular session of the legislature, at which time the terms of office of the members of the commission shall expire.

Section 6. The board of supervisors of the city and county of Honolulu is hereby authorized, empowered and directed to appropriate and make available to the commission a sum of money sufficient to defray the expenses of the commission in the performance of its duties under this Act. Such moneys shall be paid out of the treasury of the city and county of Honolulu on the certificate of the chairman of the commission after audit by and on the warrant of the auditor of the city and county of Honolulu.

Section 7. This Act shall take effect upon its approval.

(Approved May 15, 1937.) **H.B. 332, Act 218.**

AUTHORITY TO BURN WARRANTS.

[E-243] An Act to Provide for the Destruction of Certain Territorial Warrants and Interest Coupons Which Have Been Paid and Which Bear Date Prior to January 1, 1927.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The treasurer, auditor and the attorney general of the Territory of Hawaii are hereby directed, authorized and empowered to forthwith burn and destroy all warrants of the Territory of Hawaii which have been paid and which bear any date prior to January 1, 1927, and all territorial bond interest coupons which have been paid and which bear any date prior to January 1, 1927.

Section 2. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **S.B. 299, Act. 68.**

HONOLULU: AMENDMENT OF ORDINANCE NO. 490.

[E-244] An Act Authorizing the Board of Supervisors of the City and County of Honolulu to Amend Ordinance No. 490, as Amended, to Eliminate from Fire District No. 2 a Certain Portion Thereof for Industrial or Other Uses.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Supervisors of the City and County of Honolulu is hereby authorized and empowered to amend

Ordinance No. 490, as amended, revising the boundaries of Fire District No. 2 by eliminating therefrom for industrial or other uses all that portion thereof bounded on the mauka side by Halekauwila Street, on the Waikiki side by the Ewa boundary of Industrial District No. 2, on the makai side by a line one hundred feet mauka of the Ala Moana Boulevard and on the Ewa side by the Waikiki boundary of Fire District No. 1.

Section 2. This Act shall take effect upon its approval.

(Approved April 21, 1937.) H.B. 365, Act 48.

EXTENSION OF TIME TO FILE BUDGETS.

[E-245] An Act to Extend for the Year 1937 the Time for the Submission of County Budgets for Taxation Purposes as Required by Section 1921 of the Revised Laws of Hawaii 1935.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The time for the submission of county budgets for taxation purposes as required by **Section 1921** of the Revised Laws of Hawaii 1935, is hereby extended for the year 1937 from March thirty-first to April twenty-sixth, and any county budget submitted before April twenty-sixth, 1937, may be amended on or before said date in the manner provided by said section.

Section 2. This Act shall take effect upon its approval.

(Approved April 5, 1937.) H.B. 104, Act 11.

[E-246] An Act to Amend Act 11 of the Session Laws of Hawaii 1937, relating to the Time for the Submission of County Budgets for Taxation Purposes as Required by Section 1921, Revised Laws of Hawaii 1935.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Act 11 of the Session Laws of Hawaii 1937, is hereby amended by amending section 1 thereof to read as follows:

“Section 1. The time for the submission of county budgets for taxation purposes as required by section 1921 of the Revised Laws of Hawaii 1935, as amended, is hereby extended for the year 1937 from March 31st to May 15th, and any county budget submitted before May 15, 1937, may be amended on or before said date in the manner provided by said section. Any act re-

quired by said section 1921, as amended by any other Act (including any other Act enacted at the present session of the legislature, whether enacted before or after this Act becomes law), to be performed on or before any specified date prior to June 20, 1937, by any officer or other person specified in said section 1921 as so amended, shall be valid if performed after such date, but before June 20, 1937, any other provisions to the contrary in said section 1921 as so amended, or any other law to the contrary, notwithstanding."

Section 2. This Act shall take effect upon its approval.

(Approved April 26, 1937.) **H.B. 550, Act 76.**

FRANCHISES.

[E-247] An Act to Amend Act 101 of the Session Laws of 1921 Relating to the Manufacture, Maintenance, Distribution and Supply of Electric Current for Light and Power Within the Districts of North and South Hilo and Puna, in the County of Hawaii, so as to Extend the Franchise to the Districts of Kau and South Kohala in Said County.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the title of Act 101 of the Session Laws of 1921 is hereby amended to read as follows:

"An Act to Authorize and Provide for the Manufacture, Maintenance, Distribution and Supply of Electric Current for Light and Power Within the Districts of North and South Hilo, Puna, Kau and South Kohala in the County and Territory of Hawaii."

Section 2. Section 1 of said Act is hereby amended to read as follows:

"Section 1. Franchise. Harold V. Patten, of Hilo, county of Hawaii, Territory of Hawaii, his associates, successors and assigns, or such corporations as he may or they shall cause to be incorporated under the laws of the Territory of Hawaii (he or they being hereinafter referred to as 'the association'), are hereby granted the right, authority and privilege to manufacture, sell, furnish and supply electric light, electric current, or electric power, in the districts of North and South Hilo, Puna, Kau and South Kohala, on the island of Hawaii, Territory of Hawaii, for lighting the streets, roads, public and private buildings, or for motive power, or for any other purpose which the association may deem advisable

and from time to time for the term of fifty years, for the purposes herein mentioned, to construct, maintain and operate suitable poles, lines, wires, cables, lamps, lamp posts, conductors, conduits, and such other appliances and appurtenances as may from time to time be necessary for the transmission, distribution, or supply of electricity to consumers thereof, under, along, upon and over the streets, sidewalks, roads, squares, bridges, alleys and lanes in said districts of North and South Hilo, Puna, Kau and South Kohala, and to connect the said wires, lines and conductors, with any manufactory, private or public buildings, lamps, lamp posts, or other structure or object and the place or source of supply."

Section 3. Section 3 of said Act is hereby amended to read as follows:

"Section 3. Poles not to interfere with streets. That all poles, lines, wires, cables, lamps, lamp posts, conductors, conduits, and other apparatus constructed, maintained or operated under, along, upon, or over the streets, sidewalks, roads, squares, bridges, alleys and lanes in said districts of North and South Hilo, Puna, Kau and South Kohala, shall be so constructed, and maintained and operated by the association as not to interfere unnecessarily with the use of such streets, sidewalks, roads, squares, bridges, alleys and lanes by the public."

Section 4. Section 11 of said Act is hereby amended to read as follows:

"Section 11. Forfeiture of franchise. That if said association, its representatives, successors and assigns, shall fail or refuse to do or perform or comply with any of the provisions of this Act or the laws of the Territory of Hawaii, and continue to refuse or fail to perform or comply therewith after reasonable notice given by the public utilities commission of the Territory of Hawaii to comply therewith, said public utilities commission may, with the consent of the governor and of the attorney general, cause proceedings to be instituted before any appropriate tribunal to have the franchise hereby granted and all rights and privileges accruing hereunder forfeited and declared null and void. And in case of a forfeiture of this franchise, the Territory of Hawaii, and county of Hawaii, or any political subdivision thereof, shall have the right to purchase all the property of the association within the said districts of North and South Hilo, Puna, Kau and South Kohala, at the value thereof, such value to be determined as hereinafter provided; provided, that notice of such desire and intention to purchase is given to the association by the Territory of Hawaii or the county of Hawaii or any political subdivision thereof within sixty days after the forfeiture of this franchise."

Section 5. Said Act is hereby further amended by adding thereto a new section to be numbered 15-A to read as follows:

“Section 15-A. Time of commencing work in the districts of Kau and South Kohala. That the rights hereby granted with respect to the districts of Kau and South Kohala shall cease and determine if operations hereunder in said districts are not commenced before May 1, 1939, by beginning the construction of buildings or other works for manufacturing, transmitting or supplying electric current for light and power, or by placing poles and wiring the same, or constructing conduits and laying wires therein, in any of the streets, roads or other places in said districts, for the purpose of conducting electric current for light and power; and also if sufficient works are not completed and in operation to supply electric current for light and power, or if electric current for light and power be not supplied before May 1, 1939.”

Section 6. This Act shall take effect upon its approval.

(Approved April 27, 1937.) **S.B. 155, Act 85.**

JOINT RESOLUTIONS.

J.R. 1

Joint Resolution Authorizing and Directing the Attorney General and the Registrar of Conveyances to Do Certain Acts to Discharge a Judgment and to Dissolve a Judgment Lien for Forfeiture of Bail Bond Against Fong Hing.

WHEREAS, one Joseph Finkel was sentenced on May 22, 1934, to life imprisonment in that certain criminal proceeding entitled “Territory of Hawaii vs. Joseph Finkel” and being criminal No. 13006 of the circuit court of the first judicial circuit, Territory of Hawaii; and

WHEREAS, one Fong Hing furnished bail for said Joseph Finkel in the sum of five thousand dollars (\$5,000.00) pending his appeal to the supreme court of the Territory of Hawaii; and

WHEREAS, on or about June 10, 1934, said Joseph Finkel escaped from the Territory of Hawaii; and on the 22nd day of September, 1934, a judgment forfeiting said bond in the sum of five thousand dollars (\$5,000.00) was made and entered against said surety, Fong Hing, and on the same day a certified copy of said judgment was filed in the bureau of conveyances of the Territory of Hawaii as document No. 62480 and thereupon became a

lien on all the real property of said Fong Hing and still exists as a lien thereon; and

WHEREAS, on the 21st day of February, 1935, through the effort and at the heavy expense of said surety, Fong Hing, said fugitive, Joseph Finkel, was returned to the Territory of Hawaii from Omaha, Nebraska, (all without expense to the Territory of Hawaii) and is now serving his sentence as aforesaid, now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the said lien, created as aforesaid by the filing of said document No. 62480, is declared to be, and hereby is, released and discharged, and the judgment on which said lien is predicated is also declared to be, and is, fully satisfied and discharged; and the attorney general is hereby authorized and directed to file in that certain proceeding entitled "Territory of Hawaii v. Joseph Finkel", criminal No. 13006, in the circuit court of the first judicial circuit, a satisfaction and discharge of said judgment, making reference therein to this joint resolution, and the registrar of conveyances is hereby authorized and directed to enter upon the records of the bureau of conveyances a proper notice of release and discharge of said lien, making reference therein to this joint resolution.

Section 2. This joint resolution shall take effect immediately after its passage and approval.

(Approved April 5, 1937.) **S.J.R. 4.**

J.R. 2

Joint Resolution Requesting the Governor of Hawaii to Transfer from the Board of Regents of the University of Hawaii to the Commissioner of Public Lands of the Territory of Hawaii and providing for the Sale and Disposition of that Certain Parcel of Land Located at the Makai, Waikiki Corner of Kapiolani and Lunalilo Streets in Honolulu, Territory of Hawaii, Being All of the Land Described in Certificate of Title No. 1958 of the Land Court of the Said Territory.

WHEREAS, on December 29, 1921, the Territory of Hawaii acquired all that certain parcel of land located at the makai, Waikiki corner of Kapiolani and Lunalilo Streets in Honolulu, City and County of Honolulu, Territory of Hawaii, being all the land described in Land Court Application No. 91, by J. B. Ather-

ton Estate, Limited, covered by Certificate of Title No. 94, conveyed to the Territory by J. B. Atherton Estate, Limited, by deed dated December 29, 1921, entered in the Bureau of Conveyances, at Honolulu, as Land Court Document No. 3175, on which Certificate of Title No. 1958, recorded in Book 20, Page 237, was issued to the Territory, which land is more particularly described as follows:

Beginning at a point on the southerly side of Lunalilo Street 281 feet north-westerly along Lunalilo Street from a concrete post at the south-east corner of Victoria and Lunalilo Streets, at the north-west corner of L. R. Certificate No. 1, and running by true azimuths:—

- (1) 111. Deg. 12. Min., 225. feet, along Lunalilo Street;
- (2) 21. Deg. 12. Min., 400. feet, along Kapiolani Street;
- (3) 291. Deg. 12. Min., 225. feet, along Kinau Street;
- (4) 201. Deg. 12. Min., 400. feet, along Grant No. 3316 to N. B. and J. S. Emerson, to the initial point; containing an AREA of 90,000 SQUARE FEET, being house lot between Kinau and Lunalilo Streets fronting on Kapiolani Street;

and

WHEREAS, on November 7, 1932, the Governor of the Territory of Hawaii did set aside the said parcel of land to be under the control and management of the Board of Regents of the University of Hawaii, in accordance with Act 213, Session Laws 1931 (Sections 828-830, Revised Laws of Hawaii 1935); and

WHEREAS, the dormitory for women students in the Teachers' College, formerly standing upon the said land, having become dangerous for occupancy, was dismantled and removed; and

WHEREAS, the dormitory facilities for female students at the University of Hawaii are inadequate; now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the Governor of the Territory of Hawaii is hereby requested to transfer the said land from the Board of Regents of the University of Hawaii to the Commissioner of Public Lands of the Territory of Hawaii for the purposes of sale and disposition pursuant to this Resolution.

Section 2. That in the event that the said land is transferred to the Commissioner of Public Lands, as in Section 1 hereof requested, the said Commissioner is authorized, empowered and requested to sell and dispose of the same at such time as shall to the said Commissioner be deemed advisable, and in the manner provided by law.

Section 3. That in the event the said land is transferred, as in Section 1 provided, and sold, as in Section 2 provided, all proceeds received from the sale and disposal of the said land shall be set apart in a special fund in the treasury of the Territory hereby created and designated "University of Hawaii, Women's Dormitory Fund", and such fund shall be used and expended as is or may hereafter be by law provided, any other law to the contrary notwithstanding.

Section 4. This Act shall take effect upon its approval, provided, however, that it shall only become effective in the event House Bill No. 269, entitled "An Act to Provide for the Building and Equipping of a Women's Dormitory at the University of Hawaii and Appropriating Funds for such Improvement" becomes law.

(Approved April 12, 1937.) **H.J.R. 29.**

J. R. 3

Joint Resolution Memorializing the Congress of the United States of America to Amend the Income Tax Laws of the United States so as to Exempt Salaries and Compensation Paid to Public Officers and Employees in the Territory of Hawaii from the Federal Income Taxes.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the Congress of the United States of America be and it hereby is requested to amend the income tax laws of the United States so as to exempt salaries and compensation paid to public officers or employees in the service of the government of the Territory of Hawaii or of any of its political subdivisions from federal income taxes in the same manner and to the same extent as would be the case under similar circumstances in the event the Territory were a state.

Section 2. That the secretary of the Territory is requested and directed to forward to the President of the Senate, the Speaker of the House of Representatives, and the Secretary of the Interior of the United States, and to the Delegate to Congress from Hawaii, duly authenticated copies of this Joint Resolution.

(Approved April 28, 1937.) **S.J.R. 1.**

J. R. 4

Joint Resolution Authorizing the Mayor of the City and County of Honolulu and the Chairmen of the Boards of Supervisors of the Several Counties of the Territory of Hawaii to Destroy Certain Paid Warrants, Bonds and Bond Coupons Paid Prior to January 1, 1930.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. Authority is hereby given the mayor of the City and County of Honolulu and the chairmen of the boards of supervisors of the several counties of the Territory of Hawaii to destroy by burning or other means all warrants, bonds or bond coupons of said city and county or said counties, which have been paid or redeemed prior to January 1, 1930. All actions relating to said destruction as aforesaid are hereby approved and ratified by the Legislature of the Territory of Hawaii.

Section 2. This Joint Resolution shall take effect upon its approval.

(Approved April 28, 1937.) **H.J.R. 46.**

J. R. 5

Joint Resolution Requesting the Congress of the United States to Ratify and Confirm Act 23 of the Session Laws of Hawaii 1937, Amending Act 174 of the Session Laws of Hawaii 1935, by Extending the Time Within Which Revenue Bonds May Be Issued and Delivered.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Congress of the United States is hereby respectfully requested to ratify and confirm Act 23 of the Session Laws of Hawaii 1937, amending Act 174 of the Session Laws of Hawaii 1935, by extending the time within which revenue bonds may be issued and delivered.

Section 2. This Joint Resolution shall take effect upon its approval.

(Approved April 28, 1937.) **H.J.R. 59.**

J.R. 6

Joint Resolution Authorizing the Employees' Retirement System of the Territory of Hawaii to Issue a Special Membership Certificate to Charles T. Bailey.

WHEREAS, Charles T. Bailey, Active Service No. 29 in the Employees' Retirement System of the Territory of Hawaii, former Commissioner of Public Lands and Surveyor of the Territory of Hawaii, had at the time of his removal from service more than twenty years of creditable service with the Territory of Hawaii, and

WHEREAS, said Charles T. Bailey made an oral statement to the Board of Trustees of the Employees' Retirement System setting forth the conditions of his removal less than ninety days after such removal but did not file with the Board of Trustees a written statement setting forth the conditions of such removal until more than ninety days thereafter, and

WHEREAS, the Board of Trustees has found that such removal was involuntary and without fault or delinquency on the part of said Charles T. Bailey; now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the Board of Trustees of the Employees' Retirement System of the Territory of Hawaii is hereby authorized and directed to issue to the said Charles T. Bailey, a special membership certificate as provided in Section 3 of Act 55 of the Session Laws of Hawaii 1925, as amended.

Section 2. This Joint Resolution shall take effect upon its approval.

(Approved May 3, 1937.) **H.J.R. 48.**

J.R. 7

Joint Resolution Expressing the Assent of the Legislature of the Territory of Hawaii to the Provisions and Purpose of the Act of the Congress of the United States of America Entitled "An Act to Provide for Research Into Basic Laws and Principles Relating to Agriculture and to Provide for the Further Development of Cooperative Agricultural Extension Work and the More Complete Endowment and Support of Land-Grant Colleges", Approved by the President of the United States of America on June 29, 1935 (Public Act No. 182, 74th Congress).

WHEREAS, there has been enacted by the Senate and House of Representatives of the United States of America in Congress as-

sembled, an Act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges, approved by the President of the United States of America on June 29, 1935 (Public Act No. 182, 74th Congress) ; and

WHEREAS, the provisions of the said Act and the purpose of the grants of money authorized by the said Act are made subject to the legislative assent of the several states and territories; now therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the assent of the Legislature of the Territory of Hawaii, required by the said Act of Congress, be and the same is hereby given.

Section 2. That certified copies of this Joint Resolution be transmitted to the Secretary of Agriculture of the United States of America and the Secretary of the Treasury of the United States of America.

Section 3. That this Joint Resolution shall take effect upon its approval.

(Approved May 3, 1937.) **H.J.R. 28.**

J.R. 8

Joint Resolution Authorizing and Directing the Treasurer of the Territory of Hawaii to Make Certain Payments.

WHEREAS, George K. Kane, Jr., died in Honolulu, city and county of Honolulu, on March 14, 1935, leaving surviving him as heirs of his body, three sons and one daughter, namely, George, Griffith, Alexander and Lizzie, all of whom are minors; and

WHEREAS, a petition was filed in the circuit court of the first circuit, Territory of Hawaii, for the administration of the estate of the said George K. Kane, Jr., deceased, being Probate No. 386 (Small Estate), when the chief clerk of said court undertook to serve as administrator of said estate; and

WHEREAS, the administrator of the said estate filed his report on the 15th day of September, 1936, showing a balance of sixty-four and 87/100 dollars (\$64.87) subject to distribution, but upon failure of heirs appearing of record, said amount was escheated to the Territory of Hawaii, now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the treasurer of the Territory of Hawaii be, and he is hereby, authorized and directed to pay the said sum of sixty-four and 87/100 dollars (\$64.87) to the children aforesaid of George K. Kane, Jr., deceased, and that the chief clerk of said court be empowered to receive said moneys for and on behalf of the said children.

Section 2. That this Joint Resolution shall take effect upon its approval.

(Approved May 5, 1937.) **H.J.R. 32.**

J.R. 9

Joint Resolution Directing the Attorney General and the Commissioner of Public Lands to Investigate Homesteads and Make a Report Thereon to the Legislature of 1939.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. That the attorney general and the commissioner of public lands of the Territory are authorized and directed to make a joint investigation of all homesteads in the Territory, the holders of which are in arrears in the payment of the purchase price or other consideration therefor due the Territory, or in the repayment of loans made thereon by the farm loan board of Hawaii, or in the payment of taxes thereon, or are otherwise in default in the performance of the terms or conditions of the agreements under which they hold such homesteads or of the mortgages on said homesteads to said farm loan board, and to render a joint report to the legislature of the Territory at its regular session of 1939 setting forth such pertinent facts as they may deem to be of interest bearing upon the financial condition of the holders of such homesteads and the causes underlying their present condition, together with the recommendations of said attorney general and commissioner of public lands as to what steps may or should be taken for the relief or assistance of such homesteaders or otherwise for the solution of the difficulties faced by said homesteaders. Such investigation shall not, however, include lessees under the Hawaiian Homes Commission Act 1920.

Section 2. This Joint Resolution shall take effect upon its approval.

(Approved May 8, 1937.) **S.J.R. 11.**

J.R. 10

Joint Resolution Requesting the Congress of the United States to Enact Legislation to Authorize the Legislature of the Territory of Hawaii to Create a Public Corporate Authority Authorized to Engage in Slum Clearance and Housing Undertakings and Authorized to Issue Bonds of the Said Authority, and to Authorize the Said Legislature to Provide for Financial Assistance to Said Authority by the Territory and Its Political Subdivisions and to Authorize the Said Legislature to Enact Other Legislation Incidental to or in Connection With the Aforesaid Legislation.

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Congress of the United States is hereby respectfully requested to authorize the legislature of the Territory of Hawaii to create a public corporate authority authorized to engage in slum clearance and housing undertakings and authorized to issue bonds of the said authority, and to authorize the legislature of the Territory to provide for financial assistance to said authority by the Territory and its political subdivisions, and for the general purposes set forth in the proposed form of the bill hereinafter set out, and, to that end, the Congress is respectfully requested to enact a bill in substantially the following words and figures, to-wit: "A Bill to Authorize the Legislature of the Territory of Hawaii to Create a Public Corporate Authority Authorized to Engage in Slum Clearance and Housing Undertakings and to Issue Bonds of the Authority, to Authorize said Legislature to Provide for Financial Assistance to Said Authority by the Territory and Its Political Subdivisions, and for Other Purposes.

Be it Enacted by the Senate and House of Representatives of the United States of America in Congress Assembled:

Section 1. The Legislature of the Territory of Hawaii may create a public corporate authority to engage in slum clearance or housing undertakings, or both, within such Territory. The Legislature of said Territory may provide for the appointment and terms of the members of such authority and for the powers of such authority, except that such authority shall be given no power of taxation. The Legislature may authorize the Territory or any political or municipal corporation or subdivision thereof to make loans, donations and conveyances, and make available their facilities and services to such authority, and to take other action in aid of slum clearance or housing undertakings, and may, without regard to any Federal Acts restricting the disposition of public lands of the Territory, authorize the commissioner of public lands, the

Hawaiian Homes Commissioners, and any other officers of the Territory having power to manage and dispose of its public lands, to grant, convey or lease to such authority parts of the public domain, and may provide that any of the public domain or other property acquired by such authority may be mortgaged by it as security for its bonds. The Legislature of said Territory may authorize such authority to issue bonds or other obligations of such character and maturity and in such manner as the Legislature may provide. Such bonds shall not be a debt of the Territory or any political or municipal corporation or subdivision thereof, shall not constitute public indebtedness within the meaning of Section 55 of the Act approved April 30, 1900, entitled 'An Act to provide a government for the Territory of Hawaii', as amended, and shall not constitute bonds of the Territory of Hawaii within the meaning of the Act approved August 3, 1935, entitled 'An Act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes.' All legislation heretofore enacted by the legislature of the Territory of Hawaii dealing with the subject matter of this Act and not inconsistent herewith is hereby ratified and confirmed.

Section 2. This Act shall take effect immediately."

Section 2. That certified copies of this Joint Resolution, upon its approval, be forwarded to the Secretary of the Interior, the Delegate to Congress from Hawaii, and to both Houses of the Congress of the United States of America.

Section 3. This Joint Resolution shall take effect upon its approval.

(Approved May 8, 1937.) S.J.R. 14.

J.R. 11

Joint Resolution Providing for the Sale and Disposition of Those Certain Parcels of Land Located at the Mauka-Waikiki Corner of Merchant and Bethel Streets in Honolulu, Territory of Hawaii, and Providing for the Disposition of the Proceeds Received From Such Sale.

WHEREAS, heretofore the Territory of Hawaii acquired all of those certain parcels of land located at the mauka-waikiki corner of Merchant and Bethel Streets in Honolulu, city and county of Honolulu, Territory of Hawaii, being those parcels of land known as the Old Post Office site and the adjoining Honolulu Hale lot; and

WHEREAS, the said Old Post Office site and the adjoining Honolulu Hale lot are too remote from the civic center and buildings used by the Territory for other territorial purposes to be used as a building to house the tax department and other territorial offices; and

WHEREAS, a new building is necessary to house the said tax department and other territorial offices and land must be acquired for such purpose; now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The commissioner of public lands is hereby authorized, empowered and requested, upon the approval of the governor of the Territory, to sell and dispose of the aforesaid Old Post Office site and the adjoining Honolulu Hale lot located at the mauka-waikiki corner of Merchant and Bethel Streets in said Honolulu at such time and in such manner as shall to the said commissioner be deemed advisable, and in the manner provided by law.

Section 2. That in the event the said land is sold as in section 1 provided, all proceeds received from the sale and disposal of the said land shall be set apart in a special fund in the treasury of the Territory hereby created and designated "Territorial Tax Department Building Fund", and such fund shall be used and expended as is in section 3 hereinafter provided, any other law to the contrary notwithstanding.

Section 3. The proceeds received from the sale and disposal of the aforesaid land shall be used to augment and shall be expended in connection with and for the same purpose as moneys appropriated under Item 5 "Territorial Building for Tax Department, Courts and other departments of the Territorial government" in Act 203, Session Laws of Hawaii 1935, and any other moneys appropriated by any other Act of the legislature for such purpose.

Section 4. This Joint Resolution shall take effect upon its approval.

(Approved May 8, 1937.) S.J.R. 17.

J. R. 12

Joint Resolution Providing for Scholarships From the Six Representative Districts of the Territory of Hawaii at the University of Hawaii.

WHEREAS, many deserving and able students graduating from the high schools in this territory can not receive a University education because of financial difficulties; now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. The Board of Regents of the University of Hawaii shall each year award scholarships to students in such necessitous circumstances that they would otherwise be unable to attend the University, and who are citizens of the United States, born in the Territory of Hawaii, and have been for at least two years prior to the awarding, residents of the representative districts from which they are designated. Such scholarships shall be in the number of one from each of the six representative districts of the Territory of Hawaii and one scholarship for each of such districts shall be awarded each year.

Section 2. The students to whom scholarships are awarded in accordance with the provisions of this Joint Resolution shall be exempted only from the payment of tuition fees and registration fees at the University of Hawaii for four years, provided they maintain a high standard of scholarship and deportment. They are not to be exempted, however, from the payment of such other special fees as the University may exact for the use of laboratories, special equipment, or participation in student activities and privileges.

Section 3. In case a holder of a territorial scholarship withdraws from the University or fails to maintain a satisfactory standard of scholarship or deportment as determined by the Board of Regents of the University of Hawaii, such scholarships shall be declared "vacated".

Section 4. "Vacated" scholarships shall be filled by the Board of Regents of the University of Hawaii. The selection for scholarships thus vacated shall be governed by the same requirements as the original awarding and the recipient, in addition to such qualifications, shall be of the same university class as the person vacating the scholarship. If, within thirty (30) days after a scholarship is declared vacated, no qualified person coming from the same representative district as the person vacating scholarship is discovered to be available the scholarship shall remain vacated until such time as the original awarded would, in the natural course of events, have completed his four (4) years at the University.

Section 5. At no time during the first year after this Joint Resolution shall be in effect shall there be more than one (1) holder of territorial scholarships from each representative district and no more than a total of six (6) from the entire Territory at the University of Hawaii; during the second year there shall be no more than two (2) territorial scholarships from each representative district and no more than a total of twelve (12) at the University of Hawaii; during the third year there shall be no more than three (3) holders of territorial scholarships from each representative district and no more than a total of eighteen (18) at the University of Hawaii; and during the fourth year and thereafter there shall be no more than four (4) holders of territorial scholarships from each representative district and no more than a total of twenty-four (24) at the University of Hawaii.

Section 6. There is hereby appropriated from the general revenues of the Territory of Hawaii, for the purposes of defraying the expenses of such scholarships for the first year after the effective date of this Joint Resolution, the sum of Seven Hundred Twenty Dollars (\$720.00); for the second year the sum of One Thousand Four Hundred Forty Dollars (\$1,440.00); for the third year, the sum of Two Thousand One Hundred Sixty Dollars (\$2,160.00); for the fourth year the sum of Two Thousand Eight Hundred Eighty Dollars (\$2,880.00) and for each year thereafter the sum of Two Thousand Eight Hundred Eighty Dollars (\$2,880.00).

Section 7. This Joint Resolution shall take effect upon its approval.

(Approved May 15, 1937.) H.J.R. 23.

J. R. 13

Joint Resolution Requesting the Construction of a Boulder-Concrete Wall Beginning at the Concrete Bridge at Maili Stream, Honolii Valley, District of South Hilo, Territory of Hawaii and Running Toward the Outlet or Junction of Maili and Honolii Streams, Thence Along Honolii Stream to a Point Beyond the Dwelling House on the Property of Lillian Kapahua Leite, and Appropriating the sum of Six Thousand Dollars (\$6,000.00) to Pay the Cost Thereof.

WHEREAS, the Department of Public Works under Federal Aid Project No. WPGH-14E is constructing three concrete piers at the mouth of Honolii and Maile Streams, Honolii Valley, District of South Hilo, Hawaii; and

WHEREAS, the construction of Pier No. 3 as located in the center of Maili Stream has caused an obstruction to the passage of flood waters and damming up and carrying of such flood waters onto improved property in the vicinity of the outlet of said Maile Stream; and

WHEREAS, during the season of heavy rains and particularly the rains preceding Christmas Day, 1936, and New Years, January 1, 1937, and again January 13, 1937, (all of which rains were usual seasonal rains in the above vicinity) said construction caused the excess of flood waters to dam up onto the property of Lillian Kapahua Leite; and

WHEREAS, during the storm of December, 1936, the cofferdam and framework in the center of said Maili Stream was washed out and gave greater passage for the flood waters, thereby preventing said flood waters from rising higher onto the property of said Lillian Kapahua Leite and prevented considerable damage and possible loss of life; and

WHEREAS, in order to prevent loss of life and damage to property a concrete wall should be constructed to control said flood waters from reaching a point of danger; now, therefore,

Be it Enacted by the Legislature of the Territory of Hawaii:

Section 1. There is hereby appropriated out of the general fund of the Territory of Hawaii the sum of six thousand dollars (\$6,000.00) for the purpose of constructing a boulder-concrete wall beginning at the concrete bridge at Maili Stream and running down toward the outlet or junction of said Maili and Honolii Streams, thence up along Honolii Stream to a point beyond the dwelling house on the property of Lillian Kapahua Leite; and the Department of Public Works is hereby requested and directed to enter into a contract for the immediate construction of said boulder-concrete wall as aforesaid.

Section 2. This Joint Resolution shall take effect upon its approval.

(Approved May 17, 1937.) H.J.R. 51.

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